



Third Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

DEBATES and PROCEEDINGS (HANSARD)

42 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XLII No. 59B - 8 p.m., MONDAY, MAY 10, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNESS, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
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VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
Vacant	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 10, 1993

The House met at 8 p.m.

ORDERS OF THE DAY

(continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

Mr. Deputy Chairperson (Marcel Laurendeau): The Minister's Salary, item 1.(a)—pass.

This completes the Estimates of the Department of Family Services.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,628,200 for Family Services, Administration and Finance, for the fiscal year ending the 31st day of March, 1994—pass.

The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates for the Department of Education and Training.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: No.

Mr. Deputy Chairperson: No? Okay, we are rolling.

EDUCATION AND TRAINING

Mr. Deputy Chairperson: Does the honourable Minister of Education and Training have an opening statement?

Hon. Rosemary Vodrey (Minister of Education and Training): Yes, thank you, Mr. Deputy Chair.

I am pleased to introduce the Estimates for the Department of Education and Training for 1993-94. I would like to set a context for this introduction by giving you an indication of my department's accomplishments and then describe where we will direct our energies in the coming year.

It has been a little over a year since I became the Minister of Education and Training. In that time I

have made personal visits to schools across Manitoba and have talked with teachers and students alike. I have spoken with Manitobans from all regions of the province and have listened carefully as they made their feelings known about our education system.

I have also spoken to our partners in education, and I have heard them express their concerns. In addition, I have gotten to know members of the staff of my department, and I have come to appreciate their dedication and their hard work. It has been a challenging time for all of us in the department but an exciting one too. I truly believe that the course we have chosen to guide education into the next century is the right one. That does not mean, of course, that we do not face some considerable challenges, but I am confident that we will meet them.

We have begun a process of educational reform in this province that I believe will successfully steer us into the future. In fact, Manitoba has seen greater reforms in education in the past two years than ever before in the history of this province. Let me give you a brief overview of some of our initiatives.

The review of The Public Schools Act: The report of the panel has just been released, and our education partners are now taking the time to review the 106 recommendations. These recommendations have organizational, legal and financial implications on our current education system and will eventually contribute to the new legislation.

The task force on Distance Education and Technology: I will be releasing the report of the third and the final stage of this task force shortly. I expect that the report's recommendations will positively affect our technological capacity in education and help meet the needs of Manitobans in all areas of the province.

Francophone Governance: We will introduce legislation in this session to implement the governance structure, with the election of regional committees and school boards taking place this fall. A committee, chaired by former Chief Justice Alfred Monnin, will work in partnership with parents and

other interested individuals on the model and the implementation of Francophone Governance.

High School Review: Many of the strategies recommended in Answering the Challenge have been implemented. Current work is focusing on instructional methods, improvement in curricula and in the learning environments.

The University Review: The commission has concluded its hearings and has received 237 briefs or submissions. These are being reviewed and analyzed for the commission's consideration. The members hope that they will have a draft report or an interim report ready this summer.

* (2005)

The consolidation of all skills training initiatives within my department: A new division has been created within my department that brings together all the skills training initiatives of government in one place. Consolidation will result in a more effective delivery of programs and services.

Workforce 2000: This is an initiative that ensures ongoing training within the workplace so that knowledge and skills remain up to date. The number of partnerships in this area is steadily increasing.

College Governance: The incorporation of the community colleges under boards of governors will allow the colleges to be more responsive to the needs of the community in the education and training area.

These initiatives have already resulted in real educational benefits to Manitobans, such as expanded high school, college and university program offerings, higher performance standards for students and a greater community involvement. I think you will have to admit they amount to an impressive record of action designed to address the challenges of the future. These reform initiatives are also designed to ensure that our programs and institutions reflect our commitment to lifelong learning.

I would also like you to note that each of these has involved consultation with our partners in education and training. Educational reform has been and will continue to be a consultative process. My department and our government are committed to meaningful participation and openness and have accepted the responsibilities and the rewards that come with these.

At a recent educational forum, I described my vision of the future of education in this way. It will involve partnerships of all sorts, including those among parents, schools, business and industry, between schools and universities and between community colleges and schools. Education in the future will also be accountable and responsive to the needs and the aspirations of Manitobans. So you can see that the partnerships and public consultation with all members of the community are an important part of the future. They are also the means that we will use to get there.

Manitobans know that the responsibility for educating and training our citizens is a shared one. Each of us has a role to play in the process. The department provides leadership to ensure that there are high quality education and training programs for Manitobans throughout their lifetimes so that they develop their own potential and contribute to the economic, social and cultural life of Manitoba.

To ensure that the future of education is a sound one, we have had to make some tough decisions. We can no longer ignore the fiscal challenges facing us. We must take action to reduce and to eliminate the budget deficit. Manitobans have sent us a very clear signal that they do not want to pay more taxes. They expect us to eliminate the deficit by keeping our spending under control. They also believe in accountability and our ability to do more with less.

In February I announced a 2 percent reduction in provincial funding to school divisions for the 1993-94 school year. Per pupil support to independent schools was reduced by the same amount. In keeping with our commitment to taxpayers to restrict increases in taxes, I also announced in February a 2 percent limit on the amount of additional money school divisions can raise through property taxation in a fiscal year. That limit remains in effect for the next two years. The Educational Support Levy rates, however, stay the same in 1993 as in 1992.

It is important during these difficult times that all public sector organizations control spending. Therefore, grants to school divisions for administration have been reduced. School divisions now have an option of closing their schools for up to 10 days allocated for in-service or administration. We have already introduced a similar measure in the provincial government for both MLAs and civil servants.

The schools finance branch has worked closely with the Advisory Committee on Education Finance last spring and summer. They made recommendations which I accepted in six areas, and these have resulted in better recognition of smaller class size in small rural high schools, the enhancement of Level II and Level III funding for special needs children, additional funding for northern divisions, funding for Distance Education and fairer funding for transportation. Also, phase-in funding for '93 and '94 will assist school divisions in making the transition to the new funding formula announced in '92-93.

In February, I announced a 2 percent reduction in support to universities and a cap on tuition increases and tuition changes for visa students. I asked that the universities examine their spending and identify cost savings in the face of extraordinary fiscal challenges. Again, it is important during these difficult times for public sector organizations to control their spending. The time has come to find creative and innovative ways of controlling spending while ensuring a high quality of education and training for Manitobans. We have both recognized the need and found ways of doing so.

Meeting the wide-ranging education and training needs of Manitobans is a high priority for this government. One of the ways we intend to do that is with the introduction of a new education information system within my department. Its comprehensive database, which includes information on students, schools, divisions, teachers and professional staff, courses and facilities, will be used for planning and developing policy.

* (2010)

Now I would like to turn to other initiatives and issues affecting K-12 education. I have spent a good deal of time this past year consulting with people who have a stake in the improvement of our education system. My consultation with educational partners have been very successful in identifying issues in need of attention. Among those we have identified are preventing violence in the schools, parental involvement, early literacy, teacher training, student and program assessment, vocational and career education. We will have an opportunity in a series of Education Innovation forums to consult on ways of addressing these issues as well.

I recognize that violence in our schools is a very serious problem. It is a problem in the whole of society, and it will not be resolved by educators alone. We need to work together. We have already begun forming partnerships that include parents, schools, community agencies and various government departments. We have worked with school divisions to create a resource list of 80 people who can provide support in dealing with disruptive students.

My department has also been presenting a series of training workshops on prosocial skills. These workshops focus on managing student conduct and conflict mediation in schools. The response of those attending has been very positive.

My department also organizes second step workshops that provide support for violence prevention. One hundred and twenty-three educators have been trained to be trainers in this series. In addition, 222 educators have been trained to implement violence prevention programs in classrooms.

The Student Support branch has funded school programs on Behaviour Management and Violence Prevention in 62 schools in 15 divisions. The \$358,000 allocated to these programs underscores our commitment to this issue.

Also, an interdepartmental committee has been formed that includes Education and Training, Justice, Family Services and Health. This committee is looking at ways of improving the co-ordination of services in various areas including serving students with profound emotional or behavioural disorders.

As you can see, we are working hard to combat violence in the schools. We know we need community involvement to be successful in meeting this challenge. We know that parental involvement has a very positive effect on student attendance, achievement and discipline. When parents are involved in their children's education, students have greater motivation and a more positive attitude towards homework and school. It is not surprising then that these students do not usually become school dropouts.

My department is actively reviewing the most effective ways of involving parents. The Student Support branch recently completed a study entitled Parents and Schools, Partners in Education. This

describes the benefits of parental involvement and the dynamics of involvement programs.

Both the Curriculum Services and Native Education branches have created parent guides on a variety of subjects. The Dauphin office of the Native Education branch has held a parent empowerment conference that dealt with, among other things, parent-teacher interviews and legal rights.

Recommendation on parental involvement is also included in the report of the legislative reform panel. I personally believe that increasing the involvement of parents in the school system will be an effective way of addressing many of the social challenges in the classroom. We also know that parents play a crucial role in early literacy.

The issue of teacher training is a concern as well. We want to make sure that teachers have the appropriate training to meet the demands of both the present and the future. That means ensuring that preservice as well as in-service training is relevant to them.

We must find innovative ways of providing opportunities for ongoing professional development. My department provides supports to teachers in the use of effective instructional methods in the classroom, and we know that the ability to collaborate and work in teams is important for students to have. Co-operative learning has become an important practice.

The Student Support branch, in conjunction with the federal Stay-in-School Initiative and the Winnipeg Education Centre, is organizing a co-operative learning program for Manitoba educators. It will train educators to train other educators in the effective use of this strategy.

Manitobans have also told us that they want a more clear picture of how well students are performing in the province. They know that our future economic well-being depends on it.

* (2015)

Teachers also want to know that what they teach and how they teach is appropriate to children's abilities and needs. Our approach to student and program assessment has five prongs and involves the inclusion of student assessment guidelines in curriculum guides, cyclical assessments in major subject areas, the use of departmental examinations in the last year of high school, professional development activities to enhance

educators' abilities to assess student achievement and collaboration with the faculties of education to ensure that teachers in training develop a wide repertoire of assessment and evaluation skills and activities.

Discussions with educators and other partners in education have identified the need to have strong programs that incorporate what we have always thought of as the basics and the new basics. According to the Economic Council of Canada's employability profile, the new basics comprise: academic skills; communicating, thinking and learning skills; personal management skills such as positive attitudes and behaviours, responsibility and adaptivity; and teamwork skills such as working together.

We are working with our partners in education to devise strong programs. An interorganizational curriculum advisory committee has recently been established to provide input on curriculum matters. Currently under review are the new science and math curricula.

Our consultations have not stopped at our border either. We have also been working with our partners in the western provinces to develop computer-assisted courses in math and science. Manitoba's contribution to this process of courseware development is a course in calculus. I am excited about the work the department is doing to assess uses of existing and emerging technologies of instruction.

Recently completed was an interactive video disk pilot project for middle-year science students. This action research project took place in six rural and six urban schools. The results have been very exciting. They suggest that the use of this technology may be an important way in encouraging greater participation and achievement of all students, particularly girls, in science.

This next year, we will continue strengthening our programs. Strong student achievement and high-quality programs are important elements of future reform.

The last issue I will deal with in K to 12 education is vocational or career education. We want to ensure that students making a transition from school to work have a smooth passage. Providing work experience, co-operative education, business education partnership programs and the skills for independent living course at the high school level

gives students an opportunity to use skills learned in school and develop new ones they can use when they enter the workforce.

Mentorship and job shadowing programs give them a taste of the real world of work, and decide whether an occupation is for them or not. Funded vocational programs have industry advisory committees that play a role in defining expected outcomes and ensure that the skills students learn adequately prepare them for the workplace.

The recent switch to unit credit funding for vocational programs encourages a wide variety of students to become involved. The new funding formula makes it possible for all students, including the academically inclined, to take the course as electives. The unit credit funding formula has been widely praised across Manitoba school divisions for its innovative approach to vocational education.

We are very concerned that all students can make the transition from high school to work or further education and training and that Manitobans have opportunities to pursue lifelong learning. That is one of the reasons that we published Manitoba Prospects, a career-planning tabloid, this winter just before the two-career symposia. The tabloid and career symposia work well together to inform students of vocational options and their educational or training requirements.

* (2020)

That brings us to the initiatives in the area of post-secondary education and training. We have just made major changes in the post-secondary education and training area to consolidate all government skills training initiatives within a single division. Programs have been transferred to our newly created Advanced Education and Skills Training division from the Departments of Labour, Family Services and Rural Development and from my department's former Post-secondary Adult and Continuing Education, or PACE division.

The new division will oversee the delivery of programs to meet wide-ranging education and training needs of all Manitobans, including programs for youth, for employed and underemployed adults, for various equity groups including aboriginals, women and the disabled, for social assistance recipients, some of whom are single mothers, and for Manitobans generally seeking higher levels of skill training. Apprenticeship programs are also included in this

division. The division will offer programs that will be delivered in a variety of settings for both sequential and nonsequential learners. The reorganization will ensure that education and skills training initiatives are linked, effectively co-ordinated and strategically focused, to improve the employability of all Manitobans.

Our challenge in making these changes has been to respond to education and training needs of all Manitobans in an efficient and a co-ordinated way that will support the skill requirements necessary to make Manitoba industry more competitive at the national and the global levels. The reorganization also puts the division in a better position to respond effectively to the Canada/Manitoba Labour Force Development Agreement signed at the end of March. The agreement stresses the needs for co-operation, collaboration and the promotion of program complementarity between the two levels of government. Our aim is to reduce overlap and duplication and support the overall development of an efficient and an effective government response to the need for labour market related programming.

In partnership with Employment and Immigration Canada, we have already established a management committee with representatives from both levels of government to ensure that the spirit of the agreement is fulfilled. In Manitoba we will soon begin a consultation process with our labour market partners in the private sector to determine the structure and the role of new provincial and local labour force development boards. Once established these boards will provide advice and direction in support of government labour market programming.

College governance is another step we have taken to improve our capabilities in the labour market area. Through this initiative we are changing institutional arrangements to address current and evolving labour market needs. As of April 1 the three community colleges in Manitoba became incorporated under appointed boards of directors and the provisions of The Colleges Act. The colleges incorporation will allow them to be more flexible and innovative in their approach to program delivery and in their response to business and community needs.

Our Workforce 2000 initiative continues to be our key response to an increased demand for work-based training that meets the skill needs of industry. In collaborative effort with the private

sector, Workforce 2000 has forged new partnerships and new models of training through its industry-wide human resource planning component. To date, May 1991 to March 31, 1993, 53 sectoral partnership agreements have been put in place.

Within the area of training incentives to small- and medium-sized businesses, 1,704 contracts have been initiated and, further, 285 contracts with large companies have been signed to provide support through payroll tax refunds. These two initiatives have resulted in training for 51,238 employees since the program's inception in May 1991.

* (2025)

Through the initiatives that I have described for you, my department is addressing important issues and making significant improvements to Manitoba's education and training system. We are not doing it alone, but with the active assistance of our partners. Consultation with our partners has identified issues in need of resolution and issues that respond to them. Our partnerships have been very successful.

I am proud of the members of my department who have recently been honoured with awards. Last summer, Physical Education Curriculum Consultant Rick LaPage was given the R. Tait McKenzie Award of Honour by the Canadian Association for Health, Physical Education and Recreation.

In November, the director of the Literacy Office, Devon Gaber, was honoured by the Association of Canadian Community Colleges and Xerox Canada for innovation, excellence and leadership in the Canadian system of colleges and technical institutes.

Just recently, Guy Roy, Assistant Deputy Minister of the Bureau de l'Education Francophone, received a Canada 125 Award for significant contribution to community and Canada. Guy was also honoured last year by the French government for outstanding contribution to French language service in Manitoba.

I am proud of my department and its achievements. I have every confidence that the measures we are taking now to reform the system will ensure that Manitobans have access to the highest quality education and training programs. I know that Manitobans will be prepared for the 21st Century long before they enter it.

Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: We thank the Minister of Education and Training for those comments.

Does the critic of the official opposition, the honourable member for Dauphin (Mr. Plohman), have any opening comments?

Mr. John Plohman (Dauphin): I have a brief comment. I wonder if the minister has a copy of her statement that we could have. The Hansard for this evening will not be along for maybe a few days. The afternoon Hansards are usually quite prompt, but the evening ones are not, so I am just wondering if we could get that before this evening is over so that we would have it for tomorrow's sitting.

Mrs. Vodrey: We will make a copy for the member.

Mr. Plohman: I want to deal with a few of the issues the minister has brought forward in her statement. I am sure we will have a chance to deal with more of them throughout the Estimates.

My colleague the member for Wolseley (Ms. Friesen) is the post-secondary critic, and she will be dealing with many of the issues involving the community colleges and the universities. As well, the Labour critic will deal with some of the training areas and the employment enhancement and so on that have been consolidated in this department for the first time.

So I will be dealing basically with K to 12 and the concerns that we have with the minister's handling of that area of the public school system. Of course, K to 12 also involves the private school system and the concerns we have with the government's action there.

If we look back over the last five years, it is quite clear to us that the government has not placed a high priority on the public education system. I released figures in the House, and the minister indicated to the press that she had other figures that show—and she has even included it in letters to individuals that she has funded, and the government has funded, public education, elementary and secondary education for the last five years at above the rate of inflation.

The figures that we have, which are from Statistics Canada and are figures that I believe do not mislead, do not misrepresent the picture but tell the facts to the public when provided to them, would indicate to us that the minister and her government have significantly underfunded public education and eroded the quality of education and the ability of school divisions to provide quality of education over

the last five years on the basis that funding has not kept pace with inflation. It has also resulted in an offloading factor, which means that local school divisions have had to increase the local levy in order to offset the reductions from the province or the loss in real purchasing power of the dollars provided.

* (2030)

If you look through, since 1989-90, we could see a 6.1 percent increase in public school funding. In '90-91 it was 4.6 percent; '91-92, 2.05 percent; '92-93, 3.05 percent; and '93-94, minus 2 percent, for a total of 14.2 percent in the increase to the public school system as announced by the minister in January, February each year, in total funding by the province.

The increase in the inflation rate over that same time has been 5 percent in '89-90; 4.4 percent in '90-91; 5.6 percent in '91-92; 1.5 percent in '92-93; and 1.5 percent in '93-94. So the inflation increase has been 18 percent.

So there is a difference of almost 4 percent between what has been provided by the government in increased funding to the public education system versus inflation.

Having said that, the real crunch and crisis has come about this year with the rather significant decrease in funding of 2 percent. When you combine that with the 1.5 percent inflation, that is like a 3.5 percent drop in real dollars to the public education system. When you also consider that several school divisions see cuts of 3, 4, 5, 6 and, I believe as high as, 9 percent—the minister will be providing those figures I hope at the closest opportunity for us so that we will be able to see exactly how the impact of the minus 2 percent has been felt in the various school divisions.

What we have seen there is a significant drop in school division funding. The variance between the minus 2 percent and the other figures that I mentioned is not always directly related to the relative wealth of the school division. Many school divisions that are the very poorest have felt the biggest cuts. Antler River for example has had another significant cut, as I understand it, this year, and yet it is one of the poorest divisions in the province. Other poorer divisions received over 2 percent cuts, whereas some of the wealthier divisions did not receive as big a reduction. So once we have the figures from the minister as to exactly

how this has impacted on the various divisions, we will be able to look more closely at that issue.

What it tells us is that the minister has not attempted to ensure fairness or an easing of the impacts with the reductions. In other words, equalization has not been realistic in terms of the impact on these school divisions, so divisions like Transcona-Springfield are feeling a real pinch this year after a reduction last year. As a matter of fact, they have been required to actually reduce the local levy by some \$41 per household. Now we will find out, I guess, if the minister has done anything to ease that impact for the school division, because reducing it on top of the cut they took from the minister this year means a serious erosion in the quality of education in the Transcona school division.

In addition to that, because of Bill 22 we are seeing some school divisions eliminating professional development days, not because, as the minister says, it is a matter of an option that is available to them, a matter of choice really, in the decision. Whether they want to cut professional development days or to cut classrooms is what it amounts to—cut teachers, cut classes. They really do not have a choice, so they are having to eliminate professional development days, whereas other school divisions are not doing that. So you are going to see a tremendous variation from school division to school division with this new policy that the government has put in place.

It is going to be chaos out there for teachers, and I think it is a tremendous erosion of a very important activity, one that the government has targeted for some time. I do not think it is based on sound educational data that in-service days and professional development are somehow ineffective or not worth paying for, or whatever the case might be, but on what they believe or they perceive to be, or what they believe to be, on the basis of polling, public opinion that says professional development days are something the public does not agree with or does not support.

So I think the government is implementing their own agenda based on polling, on political opportunism, as opposed to on the basis of sound educational data and decision making. Of course, in doing that they are going to incur the wrath of many people in the province and the teachers and school divisions will be the primary public that will

very much object to this, and I think rightfully so, and will have our support in so doing.

What we have seen by this minister is an intrusion into local decision making by way of Bill 16. The minister writes in all of her letters that it is to keep property taxes down. Again, we do not find that kind of a statement any more credible than the statement that she has funded Education above inflation. In fact, the property taxes have been increased by this government substantially, not only this year has the \$75 and the \$250 minimum for many homeowners meant a much larger increase, but in addition to that, over the last couple of years, there has been substantial offloading by the government onto local taxpayers as a result of what I talked about earlier, the funding at lower than inflation.

As a result of that funding that was not adequate, many times applied very unfairly because of the equalization mechanism in the funding formula not being sufficient or sensitive enough to realistically respond to many of the problems that small school divisions are dealing with, we have seen then a massive offloading in property taxation.

So we have seen the offloading take place over the last number of years and then a major increase by this government. Yet the minister writes in her letters time and time again to the public, when they have expressed concerns, that her only desire in placing a cap on the special requirement of school divisions is to keep property taxes down.

I do not blame them for being very cynical about reading stuff like that from the minister after what her government has done, and even what her government did right after the announcements were made in the funding of Education. The minister had to be aware of what was being contemplated as the Minister of Finance (Mr. Manness) was preparing his budget—this \$75 increase right across the board. People look at that, and maybe they do not all notice it right now because they do not have their tax bills, so they will not see it right away and they will not connect the two. That is obviously what the government hopes. When we are looking at it from the total picture, we see immediately that when the minister is saying, well, we do not want property taxes to increase and then we increase them by \$75, there is no other way to describe it but a hypocritical way of approaching it.

I hope the minister has some way to explain herself in writing these letters and justifying it on the

basis she wants to keep property taxes down when, in fact, that is not what her government has done at all, especially property taxes, and especially in light of what has happened over the last four or five years in offloading the taxation onto local property owners. So we will want to pursue that with the minister.

We want to explore the impact of these cuts on public schools throughout the province and just see how the quality of education is standing up to scrutiny right across the province from division to division, from school to school.

* (2040)

In addition to that, Mr. Deputy Chairperson, I am going to raise concerns with the minister about the cuts in the services to special needs kids, especially as it applies to the Diagnostic Centre, the layoff of clinicians. The minister is very proud to say that she has increased funding to Levels II and III Special Needs categories, but she never speaks about that in the same breath as the cuts, the 66 layoffs of clinicians. When she talks about the clinicians, she always talks about a \$45,000 grant, but she never talks about the fact that the actual costs to the school divisions are higher than \$45,000 when you consider all of the operating costs. So somehow those school divisions are having to find additional dollars to employ these people, if they will be employed in their divisions, for the operating costs associated with it and perhaps even some salary costs.

There are additional costs. It is an offload onto the local school divisions, and the minister should admit that rather than trying to skirt the issue with regard to special needs kids and the impact of her policies—[interjection] The Minister of Finance (Mr. Manness) has a comment?

Mr. Deputy Chairperson, I also want to raise the issue of the access cuts—university social allowances, the cuts, the program that was in place—or the Student Social Allowances Program, I should say, the Access cuts, a substantial amount, I believe, over 16 percent, the elimination of bursaries. This is something that it is rather mind boggling to consider that the minister has eliminated these support programs to so many students.

The Minister of Finance sits there with a big grin on his face. He thinks all of this is funny. He should think about what this does to the kids who may not be as affluent or have as much of an opportunity that

he had when he went to university, or perhaps his children will have.

There are many kids in this province, especially with the hikes in tuition fees, who just are not going to be able to afford to go to university—many kids in poverty, many disadvantaged people who have no way to break out of the cycle of poverty—yet, again, just as was pointed out by many of our critics during the Estimates of Family Services, these are the people attacked by this government, the most vulnerable, the students.

We see it with the Access Programs. We see it with the social allowances program. We see it with the elimination of the bursaries, and we see it with the cuts in the clinicians. It is really something that when I said mind boggling, it is so unfortunate that the minister, her department and the government that she is a part of have not seen what they are doing to these people, or did not care enough, even if they saw it, to stop those kinds of negative decisions.

We want the minister to be responsible for some of the things she has inherited from other departments and had a part in making of the decisions as well, because I want to say to the minister, under employment enhancement, the Minister of Family Services (Mr. Gilleshammer) did not want to talk about the Human Resource Opportunity Centres, even though the cuts were undoubtedly essentially made while they were in that department and then the reduced funding transferred to Education following the decisions.

The Minister of Education is now responsible for those programs and therefore is responsible for explaining those decisions under her Estimates. I can assure her that we will be pursuing with the utmost vigour the elimination of the Human Resource Opportunity Centre and Program in the Parkland region—one of the most successful programs of its kind over the last couple of decades.

The minister, I hope, will have a better explanation of that elimination, that cut, than her colleague the Minister of Family Services (Mr. Gilleshammer) had when he tried to explain the unexplainable with regard to the crisis centre in Flin Flon—absolutely indefensible, unexplainable in terms of any rationale that could be judged to be fair.

It was an insidious, political decision, one they thought they could get away with, so they did it without regard for the impact on the people affected.

I hope that the minister has a better explanation for what she is responsible for in the cuts under the Human Resource Opportunity Centre.

We also want to talk to her about the Distance Education cuts. She talks about the Distance Education and technology initiatives, and yet we see substantial reductions in dollars for those in those areas. The minister will have to explain how she can rationalize an initiative with those kinds of reductions. [interjection]

The Minister of Finance (Mr. Manness) says she will. Now, he may have just woken up here, but I just finished explaining how his colleague the Minister of Family Services (Mr. Gilleshammer) was totally unable to explain the decision of the Crisis Centre in Flin Flon, for example, other than what we can only assume was the reason, the rationale, that it was an insidious, political decision by this government. There was no rationale at all that would be something that would make any of us feel, any of the people in the area feel comfortable with.

We will want to look at the legislative reform document that the minister took six months to get translated and released. We will want to know why she sat on it for all that time and why she was afraid to release it publicly, other than the fact that the decisions being made were contradicting many of the recommendations.

We will want to know what the government's position is on many of these recommendations since she has kept it at arm's length and said, well, this is just a panel, a board, that has handed in a report. Now it is time to go and, I guess, consult some more on these issues. We will want to know what the minister's position is on these recommendations. Where does she stand on this? Where does the government stand on the recommendations that are included in that report?

We will want to pursue the issue of provincial and national testing with the minister. What does she hope to gain? Is she ensuring that this is being applied fairly for students in Manitoba? What are the objectives and goals of this minister when she involves the department and herself as minister in this activity in the province?

The issues of violence in the schools, the impact of poverty, what the government is doing about it or not doing about it—we would contend that the government is contributing to the growing poverty in

this province. How is that impacting on fair and equal opportunities for education?

What kind of partnerships has the minister really developed? She talks about consultation, and yet I am hearing all over that people feel uncomfortable about what the minister has actually done with consultation. I was told, for example, that the Manitoba principals association invited her to a conference in February, I believe, in Brandon. They invited her in November and they got a letter in late January saying that she was busy and could not make it. This has happened many times. As a matter of fact, the organization Phi Delta Kappa that I was at on Friday night, where the deputy minister attended, the minister had indicated she would be there almost a year ago and then a couple of weeks before the meeting indicated that she would not be there. If the minister has a point of order maybe she can clarify that.

Point of Order

Mrs. Vodrey: I do not know how the member thinks he has got that information. I would dispute his information on that, and I do not think that he has any ability to have a look at my schedule or what the conflicting events have been for the past two events that he has mentioned.

Mr. Deputy Chairperson: Order, please. The honourable minister did not have a point of order. It is a dispute over the facts.

Mr. Plohman: Well, I thought we were going to get some more revealing information from the minister. I thought she would at least try to have the courtesy to explain to the members of the Legislative Assembly why she was not there rather than simply saying that I did not look at her schedule. I can only go by what groups and organizations have told me in terms of how the minister has responded, and we can only assume that the minister tends to avoid these kinds of gatherings.

* (2050)

I do not think that is contributing to a consultative mode. I do not think that indicates that the minister wants to participate in public discussion, hear what the public has to say, if she avoids attending these kinds of forums. I hope that she will not be doing that in the future because, clearly, that would indicate to us that she is making very little attempt

to consult in a formal way or an informal way with the educational community.

So I guess, Mr. Deputy Chairperson, the Estimates process will be one of a great deal of confrontation. However, I hope that we will be able to have a productive discussion in many areas. I am certainly looking forward to it as critic, having had the opportunity to be critic for about three or four different departments and as minister for three different departments, but never in Education. It is a learning experience for me, and I look forward to this first opportunity to be involved in this process in the Department of Education, especially as it applies to K to 12 and, as I indicated, my colleague the member for Wolseley (Ms. Friesen) will be dealing primarily with those issues of post-secondary education.

In concluding my remarks, I have to say that the Minister of Education (Mrs. Vodrey) that we see at the present time has presided this past year over a terribly negative process of decision making in the province of Manitoba, one that has severely damaged the public education system and yet has been referred to by the minister as a process of reform. Cuts and reform are not synonymous, and all too often the minister, as her colleagues in other departments, has no plan for what will take place after the cut is made, if anything.

We can see that with the situation in Family Services, as we discussed this afternoon the issue of the crisis centre in Flin Flon—no contingency plan, no alternatives. We saw that with the issue of clinicians, when we find out that many small school divisions are not going to be able to hire the clinicians with the kind of expertise and in the numbers that they require for their children.

So it indicates to me that the cut was made, but yet the minister did not even consider, well, let us look at reform. Maybe a regional delivery of some of these services among several of those school divisions would be the way to go. Have that in place, give notice a year ahead of time. Do not work on the Minister of Finance's (Mr. Manness) timetable, where he says I want 10 percent this month, find 10 percent. That does not make for planning, and I have to say the Minister of Education (Mrs. Vodrey) may not always be totally responsible for that lack of planning and foresight.

It may be the Minister of Finance by his timetable, because the Minister of Finance did not plan for the

reductions, for the massive increase in his deficit this year. He should have known that. He is the minister responsible for deficits now. It is not a label he likes, but he tries to leave the impression, after bungling the economy over the last five years, that this was a total surprise that came about when the federal government cut the transfer payments and dumped the bill on his lap.

He never knew this was coming. He has all of these experts, these finance experts in his department, who we know give daily updates, daily updates to the Minister of Finance, and let me tell you, he acted like he had a surprise—well, what am I going to do, I have to go back to the departments.

Now he goes to the Minister of Education—I am giving her the benefit of the doubt here. She may have come forward and said, I want to make these cuts, please take these programs here, we do not need them. But I have a hunch that it came about as a result of the Minister of Finance's directive, and on that basis he has to share a large part of the blame for these cuts.

So in conclusion I have to indicate, as the minister has said, that we have to explore these issues and ensure that the Minister of Finance, who is sitting with us tonight, is part of those discussions because he has to share some of the blame.

But we will not let this Minister of Education off the hook on this because she answers for education in the province. She is the person that the education community is wanting to hear from. She is the one who they want to hear justification from, and if there is no justification, they will hold her accountable. They are doing it already, because they see the empty rhetoric in her answers in the Legislature, empty rhetoric to answers day by day that we ask questions on in the Legislature. We only see empty rhetoric, empty words, in response; it is unfortunate. The educational community, the children of Manitoba deserve better and will expect answers from this minister.

Mr. Deputy Chairperson: We thank the critic for the official opposition for those remarks. Does the critic for the second opposition party, the honourable member for Osborne (Mr. Alcock), have any opening remarks?

Mr. Reg Alcock (Osborne): Mr. Deputy Chairperson, I must confess I have been so enthralled by the statements of both of the former

speakers that I would like to just dive into the Estimates.

Mr. Deputy Chairperson: We thank the critic for the second opposition party for those short remarks.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer the consideration of these items and now proceed with the consideration of the next line.

At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce her staff present.

Mr. Vodrey: I would like to take a moment to introduce the staff from the Department of Education: Mr. John Carlyle, who is the Deputy Minister of Education; Mr. Jim Glen, who is the Acting Assistant Deputy Minister of Administration and Finance; and Mr. Tom Thompson, the Director of the Finance Branch.

Mr. Deputy Chairperson: The first item will be 1.(b) Executive Support (1) Salaries \$370,500.

Mr. Plohman: Yes, this section deals with the minister's staff as well as the deputy minister, I would think. How many of the eight SYs here are from the minister's personal staff, secretarial and political staff?

Mrs. Vodrey: There are five staff. Three are secretarial support; one is a special assistant; one is a political assistant also.

Also in the deputy minister's office, were you asking for the minister's office alone or the deputy minister's also?

Mr. Plohman: Just go ahead.

Mrs. Vodrey: On the deputy minister's side, there is a secretarial position and a program analyst position.

Mr. Plohman: Can the minister indicate how her office is going to be handling the reduced workweek that is being planned and also how this will be applied to the department?

Mrs. Vodrey: The Department of Education will be closed Fridays in July, which has been discussed as a potential for the government of Manitoba, also the two first Fridays in August and three days at Christmastime.

Mr. Plohman: Mr. Deputy Chairperson, the Minister responsible for The Civil Service Act (Mr. Praznik) sent out a letter on April 27 outlining those

days. Those are the ones that will apply to the whole department?

Mrs. Vodrey: Yes, that is correct.

* (2100)

Mr. Plohman: I said the whole department, Mr. Deputy Chairperson. My question, is there any designation of essential services in the Department of Education?

Mrs. Vodrey: No, there is not a designation of essential services in the Department of Education during those periods.

Mr. Plohman: Has the minister estimated the saving in dollars as a result of this measure?

Mrs. Vodrey: The savings will be approximately 4 percent of salaries and the amount is approximately \$120,000.

Mr. Plohman: Was this the estimate prior to Estimates or is this the estimate at the present time or has it changed at all?

Mrs. Vodrey: It is the estimate at the present time.

Mr. Plohman: So did the minister meet the target that was established prior to this decision being made? Each of the departments were targeted for a certain amount of money. If it was 4 percent, it was applied? [interjection]

The Minister of Finance (Mr. Manness) speaking from his seat said there was no target. Was there a target of 4 percent or was there not?

Mrs. Vodrey: Government did look for the same procedure across government departments and the Department of Education then, in applying this, has come with the savings of approximately 3.84 percent, which, with that number of days, is the percentage that is arrived at.

Mr. Deputy Chairperson: Item (b)(1) Salaries \$370,500—pass; (2) Other Expenditures \$105,300—pass.

Item (c) Planning and Policy Development (1) Salaries \$386,800.

Mr. Plohman: Mr. Deputy Chairperson, this area has been changed in name. Perhaps the first question would be why is it changed from the previous year?

Mrs. Vodrey: I would like to just take a moment to introduce Mr. John Didyk who is the Director of the Planning and Policy.

Yes, there has been a change. The Planning, Research and Policy Coordination branch was renamed to Planning and Policy Development to better reflect the department's emphasis on a corporate strategic direction and to formally reallocate research tasks to individual units across the department.

Mr. Plohman: Has there been any change in function of staff? I see the numbers have not changed.

Mrs. Vodrey: I would just like to take a moment also to introduce Jean Britton, who is the assistant director of the branch.

No, there has not been a change in function.

Mr. Plohman: In the Expected Results, the minister indicates, "Management focus on results. Improved education and training outcomes. An effective and coherent overall policy framework. Sound program directions. Effective and efficient utilization of departmental resources."

Can the minister just give a brief overview of the major activities that will provide those expected results?

Mrs. Vodrey: Mr. Deputy Chairperson, this branch does have a number of activities. First of all, in consultation with the minister and senior staff they will complete a departmental strategic direction document. They will also plan and prepare information for the public Education Innovation fora. They will prepare strategic direction documents for senior management by working with issue-based departmental committees which have representation from all divisions.

They also assist department units in preparing one-year operation plans which merge the branch objectives and activities with departmental objectives and financial allocation. In addition, they serve on departmental committees which are developing policy statements or documents, and these include issues such as teacher training and parental involvement, assessment standards, gifted children, adult education and special needs. They also have assisted our Student Support branch and continue to assist our Student Support branch in our policy for at-risk students. They also work with senior management on developing some broad policies and procedures relating to issues such as curriculum development and also our labour force development strategy.

Mr. Plohman: The strategic directions plan, was that something that just began this year? Is that for the public education system, or is that for the department?

Mrs. Vodrey: Their work is to update a document which we have released called Building a Solid Foundation for our Future, and this was our strategic plan for the years 1991 to 1996. We are now approaching the mid to latter part of that time frame. This deals with both the K to 12 side and also the post-secondary side.

Mr. Plohman: So that is an activity that has just begun this year, to update that document. Is that what the minister is saying?

* (2110)

Mrs. Vodrey: Mr. Deputy Chairperson, there is a process of evaluation which does occur at the end of each year, but there is also a formal update which is also in process now.

Mr. Plohman: This formal update is being done by a total of eight people, or is this something that draws upon the resources of the whole department?

Mrs. Vodrey: Mr. Deputy Chairperson, this is for the whole department, and this branch is providing the co-ordination.

Mr. Plohman: So can the minister estimate the number of staff that are devoted to this and identify them in each of the branches that are devoted to this kind of an undertaking?

Mrs. Vodrey: Mr. Deputy Chairperson, there is a management committee and it reports to the deputy minister. It has on it representatives from various divisions. Also, it has on it John Didyk, who I have introduced as the director of the branch. From the post-secondary side, we have three representatives. I am not sure if the member would like to have their names read into the record. They are Devron Gaber and Kathy Parker Corfee and Reta Owens; then from our PDSS, K to 12 side, D. Altieri [phonetic]; the second member from that area is Diane Cooley; from BEF, the Bureau de l'Education Francaise, representatives A. Huberdeau; then from our human resources area, Jack Gillespie; as I mentioned from policy planning area, John Didyk and also Jean Britton, who I have introduced as on that, Heather Wood and Dallas Morrow; from our administration and finance area, Tom Thompson, Gerald Farthing and Greg Baylis.

Mr. Plohman: These are all within the various branches of the department? These are all civil servants? There are no external people involved?

Mrs. Vodrey: They are all from within the department. There are no external people involved.

Mr. Plohman: I thank the minister for that. So this management committee is made up of, what, about 20 persons that meet how often? What other issues would they be dealing with as primary tasks at the present time besides the strategic directions?

Mrs. Vodrey: Mr. Deputy Chairperson, there are 14 people. These 14 people have been put together to manage just this task, just this specific issue. There are other people who then would be involved in managing other issues which are of importance to the department.

Mr. Plohman: So the management committee is undertaking this one task. There is not a general management committee to deal with all of these other issues then, or is it a separate committee that draws on different people for each task?

Mrs. Vodrey: Mr. Deputy Chairperson, there is a senior staff committee which is made up of senior staff from across the department which is responsible for the overall strategic planning. Then from that group we are able to appoint task groups, and those task groups will then become responsible for a specialized issue. The senior staff group meets regularly, approximately once a month.

Mr. Plohman: Okay, once a month. Would there be a different group dealing with a public innovations forum?

Mrs. Vodrey: The issues relating to the very specific Education Innovation fora are currently being managed by the senior staff; however, we will be looking to involve other members of the department as we approach in a much closer time the Education Innovation fora.

Mr. Plohman: What is the date for that, and what are the expected objectives?

Mrs. Vodrey: The expected date will be in the fall of '93, and we are looking through that Education Innovation fora to explore with partners in education the issues which have been brought to us over this period of discussion as issues which the community members of Manitoba would like to express their opinions in a formal way.

Mr. Plohman: Would the education legislation reform paper, for example, be part of that?

Mrs. Vodrey: Mr. Deputy Chairperson, the proposals would be a part but we certainly expect by the time of the Education Innovation fora to have had some feedback from the partners in education regarding the report on legislative reform. Then this would be an opportunity for further discussion.

Mr. Plohman: Then that leads me to the report and the minister's position. As I indicated earlier, the minister received this some months before it was released. Was this something that her management group, either the senior staff committee or another management committee, had reviewed in detail prior to its release?

Mrs. Vodrey: No, we have not had an opportunity to review it in detail and to analyze the report. That will be the work of the department, while it is also now the request that partners in education also make that same review. They had asked for the opportunity for the review. Also, I should say that the educational associations had requested that they have an opportunity to view the report before legislation was introduced.

Mr. Plohman: What the minister is saying is before the government took a position on it, is that what she means?

Mrs. Vodrey: They asked for an opportunity to view the recommendations and the input of Manitobans before legislation was specifically drafted by the government, because they wanted an opportunity to look at the directions that had been suggested and an opportunity to not have to come forward only at the time of committee hearings regarding legislative change.

Mr. Plohman: The minister refers to partners in education in kind of a formal way. Is this a formal designation of certain groups? Whom are we speaking of, or is this just a generic phraseology about groups with an interest in education?

Mrs. Vodrey: On a regular basis, we work with the Manitoba Association of School Trustees, Manitoba Association of School Superintendents, The Manitoba Teachers' Society, the Home and School Parent-Teacher Federation. We have also met with the Manitoba Federation of Labour, and we have been attempting to be as inclusive as we can for those groups who have expressed an interest and also the impact of education.

Mr. Plohman: So, when the minister refers to partners in education, she is referring to all of what some people might refer to as the stakeholders.

* (2120)

Mrs. Vodrey: It goes somewhat beyond just the names of the organizations. For instance, with the Home and School Parent-Teacher associations, we expect that group will also show the report to and have a discussion with the parent committee. We are looking at the involvement at a very close level of those who have expressed an interest and are interested in education in Manitoba.

But I will say, too, we have also placed copies of that report in libraries, and we are looking for Manitobans, those Manitobans who are interested to take the opportunity to review the report to see that views are reflected, that their views are reflected and to provide us with some feedback on what it now looks like in its full report form.

Mr. Plohman: I just want to go back to the process leading up to the release of this report, Mr. Deputy Chairperson. I understand that the minister received the report from the panel some time in September of '92, is that correct?

Mrs. Vodrey: No, I received the report November 5, 1992.

Mr. Plohman: This was when it was formally presented by the four panelists and Roy White, chairperson. Is that correct, to the minister?

Mrs. Vodrey: Mr. Deputy Chairperson, that is correct.

Mr. Plohman: Would the management committee of the department have received a copy of this earlier and reviewed it?

Mrs. Vodrey: No, they did not.

Mr. Plohman: So the minister is saying the staff received this report from the panel the same time she did, on November 5?

Mr. Vodrey: Yes, that is correct.

Mr. Plohman: From November 5 then to April 27, I guess that is about six months, what was happening to this report? The minister went over it, talked about translation but—well, let the minister tell us what happened to the report for six months.

Mrs. Vodrey: There was, when the report was received, a request for translation and the department received the translation. A copy of the unedited translation however was then sent to the panel. We began at the same time starting to draft a news release and cover design and the translation was verified in the first week of February.

However, in the first week of February, the person reviewing the translation reported that she wanted a complete retranslation. Her concern was that—the French-speaking member of the panel—and her concern was that the version that she received was, in her mind, too stilted, that it did not express the views in the friendly tone of the English report. So in February, our Bureau de L'éducation Francophone staff worked with our translation services to make it more Manitoban, more friendly, and towards the end of February a translated copy was then sent.

In March, the first proof of the document was completed by the printer, and it was reviewed by our translation staff and by our policy branch staff regarding formats and pagination. On March 5, the panel was contacted and we wanted to have the date of the release reflect fairly accurately the date that the report was actually released. There was a second proof completed by the printer, a third proof completed by the printer in mid-March, a fourth proof completed by the printer. On March 24, '93, the copy was officially signed off by the department. It was sent to Roy White and to Maurice Mimont [phonetic], the French-speaking member of the committee. On March 29, '93, Roy White gave a verbal sign-off.

On April 1, '93, Maurice Mimont [phonetic] gave a verbal sign-off. On April 19, the printer started the actual production of the report and the summary. There was a delay during the first few weeks of April as the printer was waiting for a written sign-off from Roy White and Maurice Mimont [phonetic]. There was a clarification, and then April 27 there was the official release of the report.

Mr. Plohman: Well, I am pleased that we have that on the record. It sounds like it was very urgent and was moved right along. I would ask the minister: Was there any way to speed this up?

Mrs. Vodrey: Well, again, it was important in releasing the report, which was compiled by four members of the public, four Manitobans who had worked very hard on their job to make sure that they saw the report as accurately reflecting their work and also that the translation accurately reflected their work. Because it was their report, it was important that it was their sign-off which we achieved.

Mr. Plohman: The minister talked at the beginning about an unedited form. That is what it received. When it was presented by the panel, it was in its unedited form. So I would ask the minister—this was

before she talked about translation; this is what was handed, an unedited form—who edited it then?

Mrs. Vodrey: I believe I said at the end of January, a copy of the unedited translation was sent to our policy branch and was then couriered to Maurice Mimont [phonetic], the Francophone member on the committee.

Mr. Plohman: Prior to that, November 5, this was an English translation only in its final form, or was it changed after the November 5 meeting?

Mrs. Vodrey: The only changes which were made to that presentation which was in English were minor pagination changes to simply make sure that its format was presented and the panel approved the changes.

Mr. Plohman: Would the minister have looked at one of the recommendations, for example, and said, gee, that does not make sense, or that we have problems with that one? Did she ask them to go back and make any changes to any of the recommendations?

(Mr. Bob Rose, Acting Deputy Chairperson, in the Chair)

Mrs. Vodrey: Absolutely not.

Mr. Plohman: Was that ever done prior to November 5 by the minister or any of her staff?

Mrs. Vodrey: Absolutely not, again.

Mr. Plohman: Well, when the minister received, for example, Recommendation 48, did either herself or any of her staff wonder what that meant? I am just using that as an example.

* (2130)

If you read that recommendation, that independent schools be required to accept students with special needs if evaluation by the independent schools determines that it can provide an appropriate learning environment, and that for the benefit of these children, special support services and such specialists as school social workers, speech clinicians and others be made available—what does that mean? Does that mean that independent schools would accept students with special needs or not? When the minister sees something like that, or her staff, do they not go back to the panel and say, like, why do you not say what you mean here?

Mrs. Vodrey: When the panel presented its report to myself as minister, they did go through the report and they did discuss their recommendations with us.

However, they would say that the recommendations reflect the words that Manitobans provided to them, and they would say that these were the words that they used then to reflect the wishes of Manitobans and the words that Manitobans used to express their ideas. So we did not attempt to change the words expressed by the panel to put forward the ideas of Manitobans.

Mr. Plohman: So then if a particular recommendation did not seem to make a lot of sense or did not read very well, there was no attempt to point that out to the committee and ask them to go back to bring forward something that was a little more clear.

Mrs. Vodrey: In the full report, the member will see that there is context for all of the recommendations, which then act as a background to explain the recommendations that the panel has put forward. The panel felt very strongly about providing the backdrop and also including, as the member will see, quotes from Manitobans who were expressing themselves.

Mr. Plohman: I appreciate that the executive summary does not have the background material, but the wording of the recommendation is the same in both. If you read the recommendation, I just used that No. 48 as an example which I found extremely confusing, I would wonder if anyone was reading that whether they would say that means anything at all in terms of special needs services offered by independent schools.

Mrs. Vodrey: That is one of the reasons why we are asking for comments from Manitobans and from partners in education—I will use that term again—so that we will be sure that they have had a chance to read what is considered the background, that they will see the recommendation that has been brought forward, and that then they will be able to make a comment upon a meaning or any concerns or any special interest that they would want us to be aware of when they have read the recommendations.

Mr. Plohman: On this report then, has the minister or the department taken any position at this time on any of the recommendations? Could the minister say that certain recommendations reflect government policy and others do not, and if she would say at this particular point in time that none of it reflects government policy, when can we expect to see something that does?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, we have not taken a position on a single

recommendation or on the report as a whole. Our job is, as I said the day that I released the report, to now review the report in its totality, to look at what the meaning of those recommendations would be, and I have said each time I have spoken about it that there are three areas to be reviewed. We do have to look at what the financial implications of the recommendations are; we have to look at the organizational effect of the recommendations and the legal effect of the recommendations.

We will be looking at that from the point of view of government, and the fact that we are looking to reform The Public Schools Act. We are asking, too, that Manitobans and partners in education in Manitoba also review the report with those same issues in mind.

Mr. Plohman: I think partners in education is a good term, so I do not have any difficulty. The minister said she is using it, and I thought maybe it was a formal designation of a group. That is why I asked about it before. But I think it accurately reflects the groups that the minister has talked about when she mentioned a number of the groups.

I want to ask about the plans for this report and action on it, because we have seen a lot of reports and recommendations that often gather dust and perhaps never do get implemented to a great degree. In this particular case, it seems that legislative reform is a priority. I do not know whether I am categorizing it right on the part of the minister. If it is, then the minister must have a timetable for responding. Can I safely say that this is going to be used, this report from the panel on education legislation reform, would be used as the basis for the action plan that will be undertaken by the minister?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, this report is intended to be the basis of reform for the legislative framework for the revision of The Public Schools Act. We also recognize, however, there are other areas of reform to be considered. Some are substantive in content and nature, and we will look at areas as we get along further in the Estimates such as curriculum, but this was intended to be the document to assist in the framework reform of The Public Schools Act.

Mr. Plohman: What would be the timetable that the minister has projected now? Does she have a spreadsheet with a timetable for proceeding to draft

legislation, and what processes will be involved in finalizing that?

Mrs. Vodrey: The first step was to receive the feedback from the partners in education, and when we met with those groups we had asked them if we could anticipate their response within approximately two months. The groups said to us that they would like to have the report, to have a look at it, begin their analysis, and when they had done that they would then let us know if they could meet that timetable, or if in fact that timetable would not be able to be met by their groups because of the large amount of work. However, we are saying that we would like to move ahead with reform to The Public Schools Act. We would hope to introduce some changes for the session in '94.

Mr. Plohman: Mr. Acting Deputy Chairperson, now I am getting a little bit concerned. First, we are going to have feedback from the partners, perhaps in two months as target. Then, there are no other steps, and all of a sudden we are going to have some changes for '94. So if we sit in similar months to this year, we could look forward to some changes in about a year from now. Is that what the minister is saying? Not comprehensive rewriting of the act, or is that not envisaged in the first place?

Maybe I have the wrong idea, feeling that there was going to be a major public education act, rewriting of The Public Schools Act. If I am wrong on that, then it seems that the minister is now saying there will be some changes, which seems to indicate to me, maybe some minor changes, nothing substantial, in a year.

Mrs. Vodrey: As I said, this is intended to be the basis for major reform of The Public Schools Act, the legislative reform. We are in the process of analyzing and looking at the impacts, and at this point I am confident to tell the member that we would look for some changes. It may be, when we receive back the information and we have had an opportunity to analyze ourselves, that it will be the year for the complete overhaul or the major changes. I want to be careful to be as fair and as honest with the member as I can, and we want to make sure that we are able to look at the impact and make sure that the timetable is one which is orderly for the functioning of schools and school divisions in this province.

Mr. Plohman: So we may very well have a—maybe the term is not that appreciated, but a piecemeal

approach to rewriting the act as opposed to a comprehensive job.

Mrs. Vodrey: We are looking for the changes to be comprehensive, but we would also like those changes to be orderly in their effect.

Mr. Plohman: Orderly meaning that the financial, organizational and legal effects have all been determined prior to decisions being made?

* (2140)

Mrs. Vodrey: These are major recommendations. The three areas are major issues to be considered in the functioning of schools. Some of the recommendations also relate to other reforms which may be undertaken in areas such as curriculum, and we want to make sure that the reform that we plan to undertake—and on which I believe a good start has been made by this report in pointing out a direction—but we do want to make sure that the reform is an orderly one.

Mr. Plohman: I certainly would like to have a definition of orderly from the minister's perspective as to precisely what that means in terms of what could be passed next year and what would not be. What would make up the definition of orderly in the minister's mind? Would issues of financial impact be the major one to determine whether it is orderly? Would it be controversial ones not put forward because of political ramifications? What kinds of things is the minister thinking about when she talks about orderly? Curriculum is not part of this, and boundary review is not even part of it, as I understand it. So the other recommendations that are in here, many of them are pretty straightforward. What is the concern here?

Mrs. Vodrey: As I said, the recommendations are within the context of the report. However, they also will have an effect on other kinds of reform such as curriculum reform, and it will be important to make sure that the issues of reform are well known, well established and that then The Public Schools Act and the reforms that are occurring in education are able to occur within—I can only use the term an orderly time frame again.

It would be important for us not to, and the member had said it, we do not want to ad hoc education reform or this first change to The Public Schools Act in over 10 years, the first change to The Public Schools Act that has actually included public hearings, the input of Manitobans.

We recognize that because we have included the views of Manitobans, we now have a great deal of work. This is a benefit. This is the first time that this public hearing process has actually occurred. It really is a very big task. We would like to do it in the most holistic and responsible way.

Mr. Plohman: So the minister said, this should be orderly, she wants to do it in a holistic and responsible way, she has a number of criteria that these will be evaluated on, the financial, organizational effects, the legal effects, and then she may bring in some changes next year or major changes, we are not sure right at this time, depending on how that evaluation takes place and what input comes from the partners in education.

Is that summing it up pretty well?

Mrs. Vodrey: I think the member has certainly understood the goals again of the orderly and holistic approach and the effects that we are looking at in terms of the three areas. Also, I would just like to add, because I do not believe he included this in his list, how the reform of The Public Schools Act will also affect other areas of education when we look at recommendation No. 27, that basic education be defined in legislation. We will need to make sure that those terms are clear and that the reform of The Public Schools Act is done with the view of education as a whole.

Mr. Plohman: I think I can understand what the minister is saying except when she talks about a holistic approach and then she talks about some changes, perhaps next year. Would that mean that, if she is not going to bring in all of these changes at once or all of the ones that the government determines make up the major reform as far as the government may want to go, but wants to bring in some next year and then some, some other time, does the minister expect to have a timetable for that, a time line to deal with the major reform that she is talking about?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, the member I believe is saying that if it all cannot be accomplished in a single effort, then we would make sure that those which could be or short-term objectives would be identified. There may be midterm objectives and long-term objectives. However, we are in the process, and I would like to make this clear, of analyzing now what the recommendations are from the panel. We are looking at analyzing those recommendations and

analyzing them as well in the light of the direction of reform of the Department of Education.

Mr. Plohman: Quite often when major policy changes are put forward or proposed by government, it is done in the form of a white paper or something similar, a green paper or whatever, to say, this is the government's position; this is the government's intention; this is our desired direction at the present time and now we want to know what you think.

Does the minister plan to do something like that prior to us seeing a new act in the Legislature, or a partial new act?

Mrs. Vodrey: The place we are at now is we want to see what the public says about the report. This is an opportunity through the document for the public to look at the reform to The Public Schools Act, the legislative reform initiatives that have been recommended by Manitobans. That is the step we are at now, and, as I said, it is one step in the larger context of educational reform.

Mr. Plohman: You see, when you have a reform thrust and you are looking at what you would call reform, you are looking at a process. The minister has used the term "reform process." Then that seems to indicate to me that there is a known process; there is a planned process that the government has. But it seems to me the minister really does not have that plan all put together, not the outcome of it, but the plan to get there. That is why I am asking about a time line and what we can expect in terms of actions. Is there a planned timetable?

In other words, the minister knows she has perhaps two years left in the mandate, could be less, could be slightly more, but just thinking in terms of the government's current life, does she want to have this in place for the time she has to go back to the people in an election, or does she have only small parts of it? Is there a time line for any particular actions, such as a white paper, or has that not even been contemplated at the present time?

* (2150)

Mrs. Vodrey: Again, I have told the member that the Education Innovation fora will occur in the fall. Those we look to be very broad in their scope. They will—and the member asked me in an earlier question—include, yes, some of the issues that will involve the reform of The Public Schools Act and other areas of reform.

I do hope, in the next couple of weeks also, to make another announcement which may also add and clarify in terms of a timetable, but I would think that the two time frames that I have given to the member, one being the Education Innovation fora, which, again, will involve Manitobans, to take place in the fall—and then we also look for some changes.

The scope of those changes to The Public Schools Act, I have explained to the member that we will be looking at the developments and the response that we get from the educational partners. We will be looking to make some changes to The Public Schools Act in the '94 session. I would say to the member, too, that the process of educational reform, yes, I have referred to it as a process. It is one which requires a whole series of activities, including consultation and goal setting of where we want to achieve changes, and also direction.

We have had the introduction of many new initiatives over the past few years as well, and the department over the past years has been initiating reform. Through my term as minister, I have also been consulting with Manitobans from all sectors of the province regarding the initiatives that will be required for the future. The key to our success will be to develop positive actions. Manitoba Education and Training is, in its effort to do that, establishing stronger linkages and partnerships with business, community, labour, education sectors, and we are addressing a number of challenges.

The issues that we need to look at in the process of educational reform are some agreement on the goals of education, because there are some often competing viewpoints. Another reality that we have to deal with is working within limited financial resources. We also have to look at global competition and the challenging of traditional values, and also obtaining objective and accurate data to separate the assumptions from the realities, and also the sharing of responsibility and the seeking of solutions.

Mr. Plohman: The minister first said that she believed she would have received the feedback from the partners prior to the forum. When I asked about this earlier, was this report to be part of it, the minister said, well, we hope to be—I gathered—some distance along by then, will have received the feedback from the partners. So can we assume then at the forum or "fora" as the minister has said—is that the Latin for a plural of forum, so there are several forums taking place at one time—will the

minister have position papers then? Does she envisage having position papers on aspects of this legislative reform panel recommendations?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, in terms of the broad scope of education reform and the issues that I have just spoken about in my last answer, yes, we will look to have position papers at the fora as a start for discussion among the people, among the groups that will be present there. It will be a way to focus the discussion of the fora.

Mr. Plohman: I am just using the legislative reform as an example here in trying to understand the process that the minister and her department are going through. There are all of the other aspects of reform that we can deal with at some point in time during these discussions. But using this as an example, I am trying to understand precisely what process the minister is going through when she talks about the reform process dealing with legislation, a major part of it.

So we are going to see the partners come back with feedback. As a result of that, the minister will take a position on some of the issues, if not all, that have been recommended by the panel, depending on the feedback that comes back from the partners. Then the minister or her staff, on her behalf, from the department will put forward position papers for those interested parties who are attending and participating in these fora in October or November, whatever, in the fall, to get their response to the government position. Is that what we can expect?

Mrs. Vodrey: I would want to be careful with the member's definition of government position, because what we would like to do is to be able at the fora to put forward the issues. There may be raised at that time some of the competing views around some of those issues. We will have to look at where are the areas of some agreement and where are the areas on which there is not such wide agreement, and the numbers of issues to be discussed will not necessarily be just a series of government positions. We are looking to do this in the most inclusive way, but we also recognize that we need to provide some leadership, some identification of the issues, and the information that Manitobans will need to understand those issues and to provide some feedback to government.

Mr. Plohman: Well, the minister said I should be careful with the government position. I gather from her statement just now that this process is far too

preliminary to be discussed as a government position at the forum, or for that in fact this is still the preliminary consultation. If there is a consensus that readily identified on some issues, then the minister after a forum will be in a position to say we are going to move forward on these, if she feels comfortable with the direction that the consensus seems to indicate. Those that are more difficult or more expensive or have an impact on other areas, they may go through a more lengthy process to get to a final solution. Would that be fair in terms of how the minister will arrive at those areas that she may want to move on?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, again, I just want to clarify with the member. Is he speaking of this report alone or, is he speaking of the scope of the issues that will be raised at the education fora?

(Mr. Deputy Chairperson in the Chair)

Mr. Plohman: Mr. Deputy Chairperson, I am speaking now as I identified to the minister using this legislative reform as the example to explore how the minister and her department are going to approach reform. So I am not talking about the realm of other issues that might be brought forward at that forum, but I am trying to deal with the one aspect of it.

I detected earlier on, and maybe that is a very minor part of that innovations forum. I hope this has a substantial place. Otherwise, we are not going to get much movement on this report. So if it is a very minor part of that forum and the minister can clarify that, but in any event, that is what I wanted to see happen here is to find out how the minister is going to move on these 106 recommendations.

* (2200)

Mrs. Vodrey: Mr. Deputy Chairperson, again, I have said to the member that I expect to have responses from the educational organizations, and I will have to look at what those responses will be and exactly where the community has seen the impact of these recommendations. When I have a look at those, we will then be able to determine more specifically exactly how the legislative reform will be presented at the Education Innovation fora.

The member has asked, will this play a substantial part. I think it is very important to recognize that this is the basis that we are looking to when we look to reform The Public Schools Act, which is the first major reform in 10 years. That is a specific and large area of education reform for

Manitoba, but I will just remind him again that some of those recommendations also tie into other areas of reform. That is where we would like to make sure that the total impacts are noted, for instance, recommendation 104, that teaching about Canada be part of the whole curriculum, and we would then have to look at what the implementation process is and the effect on our curriculum side to implement or to recommend the implementation of some of the recommendations.

Mr. Deputy Chairperson: The hour being after ten o'clock, what is the will of the committee?

An Honourable Member: To carry on with it.

Mr. Deputy Chairperson: To carry on? Okay, we will carry on.

Mr. Plohman: We can expect the forum to deal with parts of the legislation reform and then following that the minister is going to be making some decisions on which recommendations or amended recommendations or whatever might be the case, what position she is going to take on the issues identified here. Some of it may find its way into legislation next spring, but the minister is not in a position to say how much, if any, will find its way into legislation next spring.

Mrs. Vodrey: Again, I said to the member that we certainly look for the reform of The Public Schools Act. We look for this reform to be a major aspect in the reform process of education. But at this point we must take the time to analyze the report, to also receive feedback from the community, as was requested of us. When we have that information, we will then be able to look at exactly what a total timetable—and, as I have said to the member, I have not in any way discounted major reform.

This document is the basis of major reform, but, as we have spoken about for some time now, we need to make sure that the impact of that reform is fully recognized, because we do want the process and the impact of the process, the effect of the process to be orderly.

Mr. Plohman: The minister is not able to give any time line or goals for achieving major reform, because she does not know, at this point in time, would it be accurate to say, how major that reform might be?

Mrs. Vodrey: Again, I am not sure how to clarify more strongly for the member other than to say that it was an initiative of this government to undertake

the public hearing process to reform The Public Schools Act. We have a commitment to that.

The second part of the commitment was where there was a request to view what the recommendations were, and when those recommendations were released, the chairperson of the committee made it clear that these were recommendations representing the views of Manitobans, and he said at that time they had not been analyzed for their effect on the three areas that I have been speaking about.

So that is the work now of my department in analyzing and also of the community to respond, and when that work is done, we will have then a much stronger view of exactly the details of what that reform may be. However, I can assure the member again, that it is a process and a reform that we have taken very seriously. We have taken it seriously enough to make sure that the public hearings occurred and that Manitobans did have an opportunity to say what their views were and to give their views in a very open way, so that they were able to say exactly what they thought.

Our department then will be basing its decisions, in terms of the reform of The Public Schools Act, upon a number of principles, and those are principles which look for excellence, principles which look for equity, openness, responsiveness, choice, relevance, integration and accountability. So we will be looking to hold to those principles as we look to reform The Public Schools Act. But I can assure the member, again, that this is a very important initiative, a part of our education reform, but a very important initiative.

Mr. Plohman: I will try once again, just one angle on this. The minister has talked about the consultation, so the report took place. Now, people wanted to see the report. At some point, the government has to take a position, and I am trying to determine how far along the way the government is in taking positions.

I will not try to phrase what my understanding is of that at the present time, except to ask one more time, does the minister envisage a position paper at some point to say one last round of consultation, because at some point, the people want to know what the government is going to do. You can go through all this consultation, but if there are no positions taken, there will not be any action forthcoming, and it will still be a surprise for

everyone when it finally comes down because it may not—well, it definitely will not reflect what everyone wanted. It is impossible.

So there is where the leadership comes in. Does the minister envisage a position paper prior to legislation?

Mrs. Vodrey: I can say that the position of government, when the analysis is done, when the feedback from the organization has been received and government has integrated the issues, the position of government will be known. It may be in the form of a paper, but I can assure the member that the position will be known to the groups, in terms of the direction that government wishes to take.

* (2210)

Mr. Plohman: Of course, we will want the Legislature to know too, and that is why the paper released to the Legislature would be very important—usually tabled in the Legislature. That was the commitment I wanted from the minister, if such a position paper was put forward.

I just want to ask the minister how far along this analysis is. Did any analysis get done between the period of November 5 to April 27? Surely, you did not have to have a translated version in order to start doing an impact analysis about the financial, organizational and legal effects, and the impact on other areas.

Mrs. Vodrey: Mr. Deputy Chairperson, there was certainly a review of the magnitude of the report, the scope of the report, but there was not a point-by-point analysis of impact of the report in that time period. However, we are able to say that the legislative reform process does share some common principles with other initiatives, and this is part of reviewing the magnitude of the report. It does speak to partnerships. It does speak to excellence, accessibility, equity, openness and responsiveness, those principles that I stated earlier. We saw those principles within the report.

The legislative reform process has been an important vehicle to this government, certainly since I have been minister. I have made frequent references to the legislative reform process when I have been in the House. It will be an important basis and a part of education reform. Those, by reviewing the report, were known and were evident, but as I said, we are now in the detailed analysis part, where we will have to look at the impact on the areas that we have been discussing this evening.

Mr. Plohman: Well, the minister said six months. There are 14 staff dedicated to the strategic plan or strategic directions for the department meeting once a month as we found out earlier.

I know there is always a difficulty with the many chores that have to be done and the limited staff and resources available, but surely in six months there could have been an evaluation done of some of these categories for say half of the recommendations or two-thirds or three-quarters, maybe the easy ones at least, I do not know.

Has the minister not received a report on the analysis with regard to the financial, organizational, legal impact on other areas, any of those yet, any of those 106 recommendations, or are they not being done recommendation by recommendation?

Mrs. Vodrey: Mr. Deputy Chairperson, just let me clarify for the member, the group that meets once a month is the senior staff who is, I think I mentioned, the group that has responsibility for the overall direction. The group of 14 individuals whom the member has mentioned is a group which has been looking at the strategic plan. That group, I am informed, may meet, by way of example, sometimes three times in one week to work on an issue, and then they will not meet for awhile while they are doing some additional study on that particular issue.

In terms of the panel report, our Policy branch had, in fact, been working with the panel to make sure that the report could be released, that the translation work met the issue, met the concerns of the panel and that the report could be out.

So as I have said to the member, yes, we were able to look at the report in a global sense. We have been able to review the magnitude. We have been able to extract principles that we found in the report, and we are now in the process of doing a detailed analysis and effect of this particular report. Again, as I said to the member, too, it is not necessarily just a linear study. He asked are we doing it sort of single recommendation by single recommendation.

We are in fact looking at this report. We want to know the effect in the areas that I have spoken about. We also want to know, as I have said this evening, the impact of this report on the other areas of education.

Mr. Plohman: Yes, I understand all those things, but, now, this is six months since the report was received by the minister. There was some need to oversee a process before it was released, and I can

see where that might have occupied a minimal amount of staff time, but we are six months into the process.

I just wonder if the minister can give us any progress report as to the progress on the analysis of the recommendations, as they would be impacting on the categories mentioned. Are we 50 percent of the way through, or 20 percent or 10 percent or what?

Mrs. Vodrey: Mr. Deputy Chairperson, as I said, the process of evaluating under all of those frameworks is an important process. It is a big process. I am informed that the administration area of my department has now gone through the whole document, and has been looking at the legal implications and also the organizational implications.

Mr. Plohman: Okay, so the administration is looking at the financial and organizational impacts, but—

Point of Order

Mrs. Vodrey: It is the legal, not the financial.

Mr. Deputy Chairperson: The honourable minister did not have a point of order.

* * *

Mr. Plohman: I thank the minister for that clarification—legal and organizational impacts, okay. The financial—is that being done or is that going to wait until the other part is finished? I can see the other area impact on other areas of reform being somewhat nebulous.

Mrs. Vodrey: Mr. Deputy Chairperson, we, again, are in the process of analyzing the financial area, because, just by way of example, there are a couple of areas which will require us to look at, transportation, for instance, and integration across the curricula. We were having to look at that with the various areas of my department which would be required to have the responsibility in those areas.

The point that I have wanted to make is that it is an integrated approach. We have had to look at it not just as a single report by itself, but its impact across education.

* (2220)

Mr. Plohman: I appreciate the minister saying that. It is just not a matter of looking at it and individual recommendations, but when combined with other

initiatives, there could be variations in the cost factor perhaps.

One of them might be Recommendation 32 that Departments of Education and Training, Health and Family Services co-ordinate the services to learners with special needs, that the government pay the actual costs of providing education and required support services for such learners, and that funding at the school division level be organized in such a way as to ensure funding is not reduced for programs prior to other children.

So that one says that the government pay. It then is a question of to what degree a service is provided. So you have to establish some level of service that is realistic or that meets all of their needs or a certain portion of them and then develop a price tag on that. Is that how the minister would have the staff do that? Would they be going on the basis of what is provided now, or what should be provided to meet the needs that are known to be out there?

Mrs. Vodrey: Again, just as another example of the analysis, we also wanted to go through that report to look at what might currently be in the act because, in fact, some of the recommendations are currently addressed in the act. Manitobans may not have come across those.

We also have to look at which of the recommendations may address something which is in the act and may require a modification and which were areas which were not currently within the act.

In terms of the question he asked on Recommendation 32, again the questions that have to be analyzed are which of the services that we would be speaking about provided by these departments. It will require us to again have a look at what the needs are, where the services are being provided, and by whom the services are being provided.

Mr. Plohman: So the analysis is done on the basis of the recommendation, not what the minister would like to see. In other words, she may not agree that the government should pay the actual cost of providing education and required support to learners with special needs. I am not asking the minister if she agrees with that or not at this time, just saying she may not agree, but she is going to have the staff undertake a cost analysis based on that recommendation, not a modified form, or what the minister would like to see. The analysis would

be done on full-service delivery being provided by the province.

Mrs. Vodrey: In the process of the analysis, we will be looking at the financial implications, but it is important to know that the financial implications are one way, and that we also would be looking at other ways to meet the needs of those students.

For instance, we might be looking at issues such as Distance Education. We might be looking at forms of service which would become available to us in terms of meeting the needs, and we would have to factor that in.

That is why I was saying to the member that there are a number of issues which are underway in the Department of Education and in the process of reform, and we will have to look at these recommendations in the context of all the potential changes. I mentioned Distance Education as one, as a method of delivery which will need to be integrated into the recommendations. We will need to be looking at them—again, I use the term—in a holistic, contextual sense.

Mr. Plohman: Mr. Deputy Chairperson, then we can assume that there would be one analysis done on the conventional delivery of such services but also some alternatives that would be placed out there before the public at some point to get some feedback.

Mrs. Vodrey: That is true, especially in terms of looking at Distance Education, by way of example. It does put forward alternatives to the traditional or to the methods which we are using, maybe as a first response at this time.

Mr. Plohman: I just want to ask how many of these reports were produced in the first printing, or has there been two or three printings, or what exactly has taken place up to this point?

Mrs. Vodrey: The English version on the first printing, 200 copies; in the second printing, 500; a total of 700. In the French version in the first printing, 50 copies; in the second, 150; for a total of 200; the Executive Summary, 1,000 copies.

Mr. Plohman: Yes, when was the second printing, Mr. Deputy Chairperson?

Mrs. Vodrey: Within about two days of the release of the report. There was a great deal of interest.

Mr. Plohman: Is there a third printing being planned?

Mrs. Vodrey: At the moment, we have not used all of the second printing. However, if there is a demand for a third printing, a request on behalf of Manitobans, we will go to a third printing.

Mr. Plohman: My office has asked on two occasions for 30 copies to distribute and was told that they do not have them. I am wondering whether the minister has directed that only certain people get copies, or is there a screening done, or what takes place here? We asked two days after. As the minister said, there was this great deal of interest. Well, we asked within the first two days for the 30 copies, and, subsequently, we asked just about a week ago, or three or four days ago actually.

* (2230)

Mrs. Vodrey: Mr. Deputy Chair, I am informed that there was a call placed to my office today, and I am informed—well, it is now 10:30 in the evening, but the member will receive them tomorrow.

I would just like to make it clear; there is no screening for those who wish to receive the report. We are making every attempt to make sure that Manitobans who would like to receive the report will have the report.

Mr. Plohman: That is good to know. I did not say that without any basis. It was a question, not a statement of fact, but I did ask the question in light of the fact that our staff had asked on two occasions previous to today.

If the call was put in again today to the minister's office, that was not where they were calling. I believe there was a number that was provided, and that was where the original calls went and not today. So, if the call was made today again, why did it have to go to the minister's office before action was provided?

Mrs. Vodrey: Mr. Deputy Chair, the call went to our Policy branch today. Again we are making every effort to provide the copies as the requests come in, and the member will have his copies tomorrow.

Mr. Plohman: I thank the minister for that. I want to leave this report for the present time and perhaps will come back to it later on, but at this time I want to ask some other questions of the minister on this section.

The management group, the senior staff or the management committee that maybe pulled together for a particular job, would they look at such things as I believe the minister said curriculum, and, say,

the issue of national testing and participation and evaluation of what is going on there? Would that be something that would be dealt with here?

Mrs. Vodrey: Mr. Deputy Chair, the two issues which the member referenced, the national testing and also curriculum, are examined in committees under the PDSS section of my department, the K to 12 section.

Mr. Plohman: Yes, initially, I understand the minister said earlier that various departmental management would be called in for particular jobs. However, the senior management and senior staff would deal with major issues such as this, I would think, in providing suggestions or recommendations to the minister. Is that correct?

Mrs. Vodrey: Where issues go across branches, then the committee that would look at it would then be representative. When I look at some of the issues the member has referenced, there needs to be a collaboration between our PDSS branch and our Bureau de L'éducation Francaise. The issue of national testing, however, and the participation in the most recent assessment was a decision made at the Council of Ministers of Education, and therefore it is managed by our PDSS branch.

Mr. Plohman: Yes, so surely the minister realizes that there are policy implications of participating in that kind of a test. There is also curriculum analysis that has to be done to determine what input the minister should take to the Council of Ministers as to concerns.

So these would be identified by the PDSS branch and probably then reviewed by management prior to the minister attending a Council of Ministers meeting where she might put forward suggestions or concerns with regard to the upcoming test.

Would there be that kind of process? On that basis, would the minister be prepared at this time to deal with any of those concerns and discussion about the national math test?

Mrs. Vodrey: The Curriculum Branch and the assessment branch both worked on what would occur for Manitoba and how Manitoba's curriculum would be represented within the test, and the briefing was done then by those departments, and I would believe that a detailed discussion of the assessment would be best dealt with under 16.2 which is the PDSS section.

Mr. Plohman: Yes, that is fine. We can deal with it at that time perhaps, although we may get to it yet tonight.

The Independent Living Skills is a course. Is that the proper name for it, Life Skills?

Mrs. Vodrey: The course name is Skills for Independent Living.

Mr. Plohman: Skills for Independent Living. Again, would that be brought forward under the Curriculum Branch?

Mrs. Vodrey: That would be best discussed under the PDSS area 16.2.

Mr. Plohman: The issue of boundary review, does the minister have a position on boundary review at the present time? It is just touched on briefly in this legislation reform. It is not really a part of it, other than that the commission would remain. The area is one that is not being acted on at the present time. I believe, alteration of school division boundaries, the board of reference be retained. Is the minister undertaking any analysis of that, any review at the present time within the department of the whole issue of boundary reviews in the context of reform?

Mrs. Vodrey: Again, the issue of boundary review was deferred last year, and it was not cancelled. Therefore, it is still an issue that is being considered by this government. I hope to give the member more information within the next couple of weeks.

Mr. Plohman: So the minister is saying that this might be the subject of an announcement in the next couple of weeks, the issue of the status of boundary review?

Mrs. Vodrey: Again, as I said, I hope to provide the member with more information within the next couple of weeks on the issue of boundary review.

Mr. Plohman: Did the management committee and the minister's senior staff review the whole issue of the delivery of services to children that was the subject of the paper of June '91 from several of the partners in education: MAST, MASS and MTS and school business officials? Was that reviewed, and what is the current status of that subject matter? It is also the part of the legislative reform, but, of course, it is not exclusive to that report, being dealt with by a number of organizations and is a major concern at the present time. Can the minister indicate what the present status of action on those requests and concerns is?

Mrs. Vodrey: The working group that has been working on that particular report has been an interdepartmental working group, and we have been represented on that committee by staff members from PDSS. I will be able to provide the member with a more detailed status update on that report in the PDSS section of the Estimates. However, I can tell him that that committee has been working and they have done a great deal of work in looking at what services are offered within the departments so that there is a basis of information, but I can provide him with the details when we get to the PDSS section.

Mr. Plohman: That raises some concern on my part, I think. It seems to me then that the interdepartmental committee is at a level that does not involve the senior staff. Is that correct?

* (2240)

Mrs. Vodrey: Mr. Deputy Chairperson, the people assigned to do the work were the people who were extremely knowledgeable about the hands-on availability of service. From our department, we assigned Mr. Bert Cenerini, who is the director of our Child Care and Development Branch, and Mr. Hugo Stephan. Also represented was the Assistant Deputy Minister Carolyn Loeppky. Then there was also a committee of deputy ministers, and the Deputy Minister of Education was represented on that committee. Excuse me, our deputy minister chaired that committee.

Mr. Plohman: Mr. Deputy Chairperson, so there are several committees then. The minister is indicating there is a deputy ministers' committee that is taking charge of this issue. I would think I could characterize it as that. Then there is a senior staff—the one that Carolyn Loeppky would be on, would that be another committee or would that be the same committee that PDSS is on as a hands-on committee? There would be two levels of committees or three?

Mrs. Vodrey: Mr. Deputy Chairperson, there were two levels of committee. The deputy ministers formed a steering committee. Then the assistant deputy minister and staff from our Child Care and Development Branch formed a working group with members from the other departments.

Mr. Plohman: Can the minister say how long the deputy ministers' committee has been in place? The brief was made in June of '91. There have been many, many discussions about this. It has been

raised in Estimates in the past. It is a major area that needs addressing. All political parties recognize that. All partners in education realize it. How long has this been ongoing now, when the deputy ministers' committee was established, I am asking.

Mrs. Vodrey: Mr. Deputy Chairperson, I would just like to say to the member, some of the questions that he is asking are detailed questions of time and also involvement of staff members who work for the PDSS section of the department. I am wondering if I could ask the member to put those questions when PDSS comes up so that we will have the information available to him.

Mr. Plohman: Mr. Deputy Chairperson, I think it is important to establish the kind of priority that this issue is getting in the department, and that is what I am trying to do now. I am prepared to ask detailed questions of PDSS staff when we deal with that. Right now, I am trying to find out from the minister exactly how she and her senior staff are handling this issue from their point of view.

Mrs. Vodrey: Mr. Deputy Chairperson, this has been an area of priority and also an area where a great deal of time has been devoted. While I cannot give the member an exact account of the meeting times, I am informed that there were approximately over the last year six meetings of the steering committee of deputies and approximately at least 12 meetings of staff. At these meetings, there had to be an examination and then work done when the committee was not together, looking at exactly which services were to be discussed and looking in detail at how we can put together a report of those services.

Mr. Plohman: Mr. Deputy Chairperson, am I to understand then that the committee was established about a year ago, the deputy minister's committee, and maybe that the staff committee of Child Care and Development Branch along with the other departments was formed about the same time?

Mrs. Vodrey: Mr. Deputy Chairperson, the report was received in June '91, as the member has referenced, and then there was a discussion at a cabinet committee level in terms of how the report could be best addressed because it did have a wide scope of an important issue. In February '92, the interdepartmental co-ordination services committee

was established, and the report of the working group was received in March '93 to the deputy ministers.

Mr. Plohman: So are we to say then that the deputy ministers just became involved in March '93?

Mrs. Vodrey: Mr. Deputy Chairperson, no, but I am saying that the report from the working group was received by the deputies in March '93.

Mr. Plohman: But the six meetings that the deputies have had go back over a period of how long? And when were those six meetings held? Most of them since March '93? In other words, over the last two months, or were some of those meetings held prior to that, and how many of those?

Mrs. Vodrey: I am informed that there were approximately five meetings prior to the 1993 meeting, and I am informed that then there was the meeting in March '93 to receive the report, and there has been another meeting since the report was received.

At those meetings of the deputy ministers, they were also meeting with the working group where the deputy ministers were able to look at the progress and provide direction as a steering committee.

Mr. Plohman: How much has the minister been involved with this process? Is there a ministerial committee established on this as well or just the deputy ministers?

Mrs. Vodrey: As I said to the member, there is a committee of cabinet that has been involved and has given the original direction, and ministers sitting in that cabinet committee have received updates from their staff. I have received updates from my staff at intervals where they provide a report and also when I have asked for information regarding an update.

* (2250)

Mr. Plohman: Is the minister satisfied with the pace of the current discussions?

Mrs. Vodrey: There is no doubt that this is a very important and complicated issue, and the single issue within the larger report is the concern over the medically fragile child, which has also required a great deal of work. But I can say to the member, while recognizing the complicated nature of the work that this committee is doing and also some of the issues, I would like to say when we get to the PDSS side that there has already been a number of initiatives which have involved interdepartmental co-ordination and which are already in progress.

So it is not as if everything has waited for interdepartmental co-operation and co-ordination to occur finally at the receipt of this report, but that there are a number of initiatives which are already in progress as well.

Mr. Plohman: That is encouraging. It seems to be logical that if the ministers and deputy ministers are making this a priority, the staff in the delivery end of things are going to be taking a cue from that and trying to perhaps be more open to integrating their services and not so worried about protecting their turf. That is always one of the difficulties when you are dealing with several departments. The deputy minister knows that full well. We even discussed this on Friday night at the meeting that we were participating in discussions with the Liberal critic as well at that time.

I wanted to ask the minister, not about those particular examples of success which I am interested in when we get to that section of the department, but how she sees this deputy ministers' committee developing in terms of a final proposal for cabinet approval? First of all, do we see it something like the interministerial protocols for the provision of support services to schools in British Columbia? Is that kind of what we are working toward here or is it something that goes beyond that in the minister's mind or does not go as far as that? Has the staff made extensive consultation with British Columbia on this? Is there any other province that has moved ahead on it? Where are we going with this and what kind of a time line again are we looking at?

Mrs. Vodrey: I am informed that the deputies' committee did look at what B.C. is doing, and they also looked at what Ontario is doing. They have submitted a report which is a first step, which does give us information in terms of a first step, and now ministers will need to look at the report and make further decisions and provide further direction to the committee.

Mr. Plohman: So the minister is saying that they are at a point of decision making by the ministers. There are the different routes to go with this and that has not been decided yet by the ministers or taken to cabinet.

Mrs. Vodrey: Yes, the ministers involved will have to have a discussion about the details of the report. We will have to look at how to make the most effective use of even this first stage of information,

because what we have even in the first stage I believe is an important amount of information, and then ministers will be making a decision about the further direction and also any decisions on exactly what to do with what is provided so far.

Mr. Plohman: The chairperson of the committee is the Deputy Minister of Education, who has provided this report to the minister, I take it. How long ago did the minister receive this report from the deputy ministers?

Mrs. Vodrey: One of my colleagues has just this evening finished the Estimates process. Now I am in the Estimates process, and another of my colleagues will be shortly going into the Estimates process. So the important thing is that now we as ministers need to make sure that we have been able to review this with our departments and then also with each other, and we will be looking to do that as quickly as possibly because we have recognized that the issues are important. We have recognized they are important to Manitobans, and they are issues on which we do have now some information which may be able to help us make a difference.

Mr. Plohman: Well, I realize the minister is extremely busy, although Estimates will be coming up soon again too for next year, and so you have got to start somewhere with this report. Do you expect to have this placed on hold while the Estimates process in the Legislature is taking place, or are we going to see some decisions made by the ministers prior to the completion of this legislative session?

Mrs. Vodrey: Again, we do not want to see this report go on hold. We would like to get it to the committee of cabinet as quickly as possible and then on for decision making by our other colleagues. I can tell the member, it will be done as soon as possible. We are looking, and again as we discuss this more fully, to make the very best use of the information that has been provided to us by this working group and by the deputies committee.

Mr. Plohman: Well, would the minister want some help in sharing that report with the opposition?

Mrs. Vodrey: Mr. Deputy Chair, at this point, the obligation that we have will be to review the report as ministers and to review the report as a group of ministers whose departments have done the work.

Mr. Plohman: I am sure, in an important matter like this, the minister would not want to keep a secret. When does she anticipate that the report from the

deputy ministers would be something that could be shared with the Legislature?

Mrs. Vodrey: Again, as I said, in terms of the process, and we have been using that word this evening, the ministers whose departments have been working on this will want the opportunity to view it. Government will have some decisions to make, and then we will want to make as quickly possible the decisions known.

* (2300)

Mr. Plohman: Can the minister give us an idea of some of the considerations that she is undertaking now with this report so we have an idea of why this cannot be shared with the Legislature?

Mrs. Vodrey: This was a report where the work of the group was directed by the ministers. The ministers themselves must first have an opportunity to see the report, and to discuss the report, and to look at the action that they will be making in terms of their decision process.

That is the stage that we are at now, but I understand the member's interest in terms of this particular report, and in terms of what the benefits will be to Manitobans. We, too, want to make sure that there are benefits to Manitobans based on the information from this committee.

Mr. Plohman: The joint group that made a presentation to the minister and to the government of Manitoba in June of '91 stated on page 9: The Manitoba government has formally recognized the need for joint departmental co-ordination of services once a student is outside the public school system. However, no parallel recognition yet exists regarding co-ordination among these departments while the student is attending school.

Would the minister say that they are at the point now of having that parallel recognition?

Mrs. Vodrey: Again in the process of this line of questioning, I have tried to show the member that we certainly see this as an important initiative. We certainly recognize the desire on behalf of Manitobans for this kind of co-operation. The details of the report, I believe, would be best discussed when we get to 16.2.

Mr. Plohman: I understand that and I was not trying to get into too much detail. But I am exploring a bit the detail because I want to know how important the minister feels this is. If she, as a minister, is not completely cognizant of what is happening in this

area and comfortable with it, then it seems to me that maybe it is not getting the kind of priority that it should get. So, there is an actual deliberate-

An Honourable Member: Strategy.

Mr. Plohman: Yes, strategy on my part to question the minister at this point in time because I think it is important. I would think that there is room here to suggest to the minister that this has to receive greater attention by her personally and her colleagues because if this is not directed by the ministers, with all due consideration to the deputy ministers, I think that it is doomed to failure, to take an awful long time and perhaps no substantive action will come of it only because the political will and direction must be there.

That has to be seen clearly by the staff and by the various departments because there is so much at stake here for each department and conventional ways of doing things. It is only, I believe, the ministers, and I say this sincerely, that can ensure that this takes place and that the political will is there to do it. That is why I am exploring this with the minister. I would like assurances from the minister that she has a timetable in mind to complete this task. If she could shed some light on that timetable, it might give us more comfort in how we perceive the government's actions here.

Mrs. Vodrey: Mr. Deputy Chair, to start with the issue of why I think this is important, in my work as a school psychologist in the years that I spent in the schools, this was an issue of concern. It was an issue of concern when the member's party was in government. I certainly remember sitting in the minister's office discussing this issue, at that time, when I was working in the schools.

I would like to tell him, as I have told Manitobans when I have been out speaking in Manitoba about this report, that I have a personal interest in it. It has been a personal interest that has come from my own work with children and families and my own work in trying to help co-ordinate services on behalf of children and families in schools. So I can give him my personal assurance about my own level of interest and the length of time that I have been interested—long before I became minister.

In terms of a timetable, I have said to him that we have received the report as ministers and now we, as ministers, will be taking the next step. We will be meeting as soon as possible on the report. We will be looking at decision points and the next steps that

we might take, but because there are other ministers involved as well, it would be very hard for me to speak singly, at this point, until we have met on this report.

Again, in summary, I would like to assure him of my interest. I think I have a record in this province of particular interest in this area, and we will be looking, as ministers, to deal with it as soon as possible.

Mr. Plohman: Mr. Deputy Chairperson, then can we expect any action on this report before the fall of this year?

Mrs. Vodrey: Mr. Deputy Chair, well, as I said to the member earlier, we do have already some examples in which there is interdepartmental co-operation. We understand too that there are other areas in which that co-operation can continue, and those are the areas that we, as ministers, will be looking at.

When we do reach the section on 16.2, I will be happy to talk with him about the number of co-operative initiatives which are currently taking place.

Just by way of example, the Department of Education and Training, in collaboration with the Department of Family Services and the Department of Health, has developed an interdepartmental crisis resource committee on a pilot-project basis, which supports local school divisions and Child and Family Services agencies in developing appropriate 24-hour community-based education treatment programs.

I can certainly tell the member that in the time that I was working in the schools, that was an area of very strong interest, particularly for children with any kind of special needs. We understood for some children there was a great need for a sense of continuity throughout their lives, and this 24-hour planning was important. So I offer that as one example to the member as an example of co-operation.

Mr. Plohman: I was not trying to substitute for the examples of co-operation that the minister wanted to talk about later which are encouraging and important. I think this kind of thing takes place when there is a reflection of ministerial and deputy ministerial priorities. When it is shown to be a priority, it will happen also in a parallel way.

So maybe that is taking place at the present time to a certain degree, an isolated incident. It is not

formalized. Maybe it would even be ad hoc, as circumstances happen to come together for a particular issue, but that is not good enough, is it? It has to be planned, it has to be formal and it has to be there all the time when these situations arise, or at least to the extent that overall government resources make it possible.

We look at the situation in Flin Flon, some of the questions that were asked today, and maybe we see an example where it did not work. I am not in a position at this point until we have had an opportunity to question in more detail exactly what did happen in that case, of whether that is a good example where it did not work, but it was questioned in the Legislature today, in the House by some of our colleagues.

* (2310)

So there are many areas where it is not happening, and I guess that is why the ministers and deputy ministers are looking at it. That is as it should be.

My question is: What kind of a timetable did you have to accomplish that task? Are you setting yourself out a particular timetable to get to some type of ministerial protocol for dealing with people in the school system, for co-ordination of services?

Mrs. Vodrey: Mr. Deputy Chairperson, as I said to the member earlier, the ministers now must meet and we must look at our position in terms of the information that we have received. When we have had an opportunity to review this as ministers, at that time maybe I will be able to provide a more detailed timetable.

Again, as I have said to the member, this does represent four ministries, and the four ministries must be able to speak then in a comprehensive way. So I want to be fair to my colleagues and say, first of all, the ministers must come together and review what we have so far.

Mr. Plohman: Is the minister saying that her colleagues do not have a full commitment to this process?

Mrs. Vodrey: No, and I hope the member did not interpret it that way, but I would not like to speak on behalf of my colleagues specifically. I think they need to have the opportunity to speak also about how a timetable will work within their ministries, and that is what we will be endeavouring to do when we examine the report as ministers.

Mr. Plohman: Is it this minister who is taking the initiative, the leadership role, in accomplishing that?

Mrs. Vodrey: Mr. Deputy Chairperson, the Department of Education and myself, as minister, and the deputy minister have been the lead department in terms of making sure that the co-ordinating committee was begun and was able to do its work. Now I will be looking to make sure that this is seen on the agenda by the cabinet committee, by my colleagues and myself.

Mr. Plohman: The colleagues the minister is talking about are the Minister of Health (Mr. Orchard), the Minister of Family Services (Mr. Gilleshamer) and the Minister of Justice (Mr. McCrae). Is that right?

Mrs. Vodrey: Those are the departments which were represented on the committee.

Mr. Plohman: So that is the deputy ministers then. The ministers do not formally have a committee on this then. Is that what the minister is saying?

Mrs. Vodrey: The ministers do have a cabinet committee. This cabinet committee, however, deals with a number of issues, not only this single issue. There are other ministers who also will participate on that committee, who will also have an interest in this area.

Mr. Plohman: The minister would not be giving away any secrets if she was to tell me which committee of cabinet deals with this.

Mrs. Vodrey: Mr. Deputy Chairperson, the committee is the Human Services Committee of Cabinet.

Mr. Plohman: Does she care to mention who sits on that committee?

Mrs. Vodrey: Again, I think that it would be important for the member to know that all four of the ministers whose ministries have been involved sit on that committee, and we do sit on that committee with other members who have ministries which are involved in services to people.

Mr. Plohman: We could ask the Premier (Mr. Filmon), I guess, who else sits on that committee if the minister feels uncomfortable answering that. I do not think that is a classified secret. I do not think it should be, but if the minister feels at all uneasy about mentioning the others, that is fine. So we have at least the four sitting on that committee.

I will leave that issue for now. It is a very important one, and one we want to watch very

closely. I want to assure the minister that I would give her any assistance in moving this along that I could, without, I am sure, the minister asking for some prodding in the House, but anytime an issue like this is raised, it may increase the relative importance that other ministers might give to something that the minister is attempting to do.

I just want to offer that and to indicate that we feel it is extremely important. I know that we have not accomplished this over the years. That does not mean that there was not an attempt made to co-ordinate services, but I think it has really become a recognition, at least for me, and for so many others I have talked to in the school boards, recognizing this need.

I know, for example, the Dauphin Ochre school board is extremely concerned about this. They feel that very often the Department of Family Services, in particular, and Health really are not providing the kind of support to the educational system that is required. There has to be more co-ordination. They have raised this on numerous occasions. Other school boards have mentioned it as well and other people in the education community. So I think it is something now that everyone is saying has to happen as quickly as possible.

I do not think that the minister has to reinvent the wheel or the staff on this, because it has been done in other areas. I just want to indicate to the minister that we view this as one of the most important initiatives. If it is not accomplished over the next couple of years, it will be one that undoubtedly will be focused on as a major goal by future governments. So I hope we do not have that as a platform item. I hope it is done.

Mrs. Vodrey: Mr. Deputy Chairperson, again, I have told the member of my personal interests and experience in this area and that I too view this as an important area for our government and for my department. I too have spoken with school divisions on this issue. I have spoken with individual teachers and parents on this issue. I understand how wide reaching the interest, and that is why we did, this time, move ahead and have the working committee and make a start. Now we are at a point where we then, as ministers, now will have to look at this.

Mr. Plohman: I think this has been given some impetus by the fact that the major groups involved in education have come together with their paper. I

thought this was an excellent paper which certainly describes quite well the problem and the need for action on the part of government on an urgent basis.

I think the government is probably about a year behind schedule, at least according to what was requested by this group, if not two years. Well, it cannot be two years, they just presented it two years ago but, certainly, things are not moving as quickly as they had hoped.

I want to ask the minister whether she can deal with some policies on Distance Education in this section? I know there is a line for it, but I would like to find out from the minister whether her management staff has looked at a major change in direction on Distance Education as a result of the initiative that the minister outlined at the beginning of the Estimates today, when she talked about some of the reports that were being done. I believe Distance Education was one of those. I forgot the name of the report that was being done. Maybe the minister could refresh my memory on that.

* (2320)

I am referring to the task force on Distance Education and Technology. The minister indicates she will be releasing the report on the third and final stage of the task force shortly. That is what I am asking about.

Mrs. Vodrey: Mr. Deputy Chairperson, the report on the task force and the details I will be able to discuss more fully with the member when we get to 16.2(g), which is the Distance Education section of the Estimates.

I would like to say that this has been another area which school divisions across this province have expressed as an area of interest, because they see a number of potential benefits, so I did create the task force on Distance Education, and we did have staff members sitting on this task force as well as interested Manitobans. Because we saw this as a collaborative effort within our department, we had staff members on from our policy area, from our admin and finance area, from our PDSS area, the K-12 area, and also from our post-secondary area.

Mr. Plohman: Okay, this then would be the correct area to talk about the overall thrust of the government's initiatives in Distance Education, it would seem to me. [interjection] Well, those are the details. I am talking about the overall priority again that it is given by the minister and senior staff.

That is why I am asking these questions here, because these are the people that make the decisions and give the direction to the department along with the minister. Since they as a management group deal with these issues, not in the fine detail perhaps—that is where the staff would be able to provide, I guess, some of the details of 16.2(g), as the minister mentioned, but I am interested in knowing whether there has been a major change in direction here as a result of this minister's initiative or some senior staff's initiative together as a team, whether there has been a major change or major thrust.

The minister says she created this task force. Therefore it is important, right? There is a task force created here. Is the minister planning a major initiative in this area, keeping in mind that there have been major staff cuts in this area this year? I want to try and get an understanding how this can be a major initiative when these cuts are taking place. What is happening here? How can we feel comfortable that this indeed is getting the priority the minister says when she has made cuts this year in staff? I have a few other questions about it that I want to ask the minister.

Mrs. Vodrey: This is an area of great interest to our department and to our government because we recognize the school divisions have identified a potential in the use of Distance Education, so we had the task force. The first report has been released. It was released to the public and to the school divisions, and now I am preparing to release the final report of the task force on Distance Education. This task force examined a whole range of issues from the complete scope and spectrum of Distance Education and Technology, and it also looked at, within the technology, various types of technology, and it did a great deal of detailed work.

So we do regard this task force and the whole area of Distance Education as important, but when we get to the area of 16.2(g) when we are looking at some of the staff changes, yes, there have been staff changes and some of those speak to the fact that Distance Education is of such importance that we do not necessarily see it as something separate from our other curriculum services and curriculum development and the other parts of the work of the K to 12 side of the department.

When we have an opportunity to speak about that in detail, I will be able to explain to the member how there has been an integration of the issues of

Distance Education into the Department of Education and Training, because we do see it as so important.

In addition, Mr. Deputy Chairperson, in our 1993 funding formula we have provided for support of professional development activities relating to the provision of courses using Distance Education technology, because we have recognized that Distance Education with its possibilities, it is important that it is fully understood in terms of how it can be used.

Then, in addition, our Distance Education programs and initiatives also include things like our Independent Study Program which was moved to Winkler and also our Distance Education Development Program which has developed a multiyear development plan to develop or to revise the Independent Study Program courses and also the Teacher-Mediation courses to bring them in line with the Manitoba curriculum. Distance Education also involves our Teacher-Mediated Program, and Distance Education also involves our First Year by Distance Education Program.

That is why I was saying to the member that the committee that worked on this, the task force that worked on this involved Manitobans, but also involved representatives from the staff of the Department of Education which crossed divisions. It had on it then members of our post-secondary side of the department who are able to look at the possibility and the potential and the post-secondary side and the training side, as well as people from our K to 12 side who could look at the curriculum as well as people from our finance area, because there will also be a cost attached to some of the initiatives as well as our policy people.

Then we also wanted to look at issues such as the emerging technologies. One thing that we found in the Distance Education task force is that emerging technologies were developing very quickly and there were changes on a regular basis in terms of assessability or the technologies themselves.

So we have viewed it as important. It is an area which is also very complex. So we have tried to view it with as much expertise as we could have. As I said, I am looking now to release the report on Distance Education.

Mr. Plohman: I would anticipate that with the evaluation of different technologies and

understanding the changing technologies that the affordability of each would be considered. Is this part of the report, the comparative costs of providing the services with each different technology?

Mrs. Vodrey: Mr. Deputy Chairperson, the costing is not in the report. What is in the report is the emerging technologies and the different technologies with some information about how those technologies might be used. The costing will then become a factor to follow up what has been identified within the report.

Mr. Plohman: Has the minister made any determination at all about what technology might be the way to go, or would it be a combination? I understand there is something called CAL, there is satellite technology, there is interactive television. Is there one that the report will recommend as the way to go, or will there be just a comparative analysis of the various ones and still no decision in the report or no specific recommendation?

Mrs. Vodrey: The committee examined technologies. The three technologies that they were the most interested in were the fibre optics, the microwave and the radio.

When they looked at those, they recognized that there will be flowing from looking at those technologies an issue of cost, and in addition to that they will have to look at regionally how they can be adapted. We understand that some technologies may not work so well in an area of hard rock, and other technologies may be more suited for another area. So there were a number of considerations which they attempted to outline and identify, and they did, as I said, mention the three areas, the three technologies.

* (2330)

The member has spoken about interactive, and interactive is a mechanism for both audio and visual transmission and that might be accomplished through telephone, for instance. We also recognize the satellite and the value of satellite, and satellite also has its place. So the task force tried to look at what is available; what are we currently using within Manitoba; and then what are, in terms of emerging technologies, the ones that appear to be the most useful; what is being used in other places; and how are they best applied in Manitoba, and then we will have to look at a cost factor.

Mr. Plohman: Would the minister characterize her own views on this, as one being very pro Distance

Education, as a solution to the inequities in education to the remoter areas of the province at the present time? Would you characterize your view that this would revolutionize the delivery of education services? I was really looking for the minister's personal view as to whether she sees this as being a major, major change, innovation in Education to provide equalization of opportunities or relatively limited in what she sees with it.

Mrs. Vodrey: Mr. Deputy Chairperson, Distance Education offers us a very strong potential in Manitoba. The member has spoken about one possible way of using Distance Education. That is to provide some curriculum which may not be able to be offered on site and which may allow some areas regionally to perhaps share in terms of where the curriculum may be delivered from and that it may be broadcast to other areas of the province.

In addition, we have also been asked to look at Distance Education at the post-secondary level. I think that is another important way to look at this initiative, because First Year Distance Education, for one, does not dislocate a person in the first year of university and it does allow them to experience some of the course work and decide if in fact it is really what they want to do before they move away from their family or actually go to the expense of moving from their community.

Another area that Distance Education has been spoken about as very important is in the area of training and some short-term training courses, in that Manitobans have said, and this is around all of Manitoba, that they would like to have access to, some that have been raised to me are things like accounting courses.

In some of the rural areas people have said that in some of the months when they are not actively farming, for instance, it would be great for them if they could have access to some training programs which might be provided by Distance Education and which would be helpful to them within their businesses.

I also realize it would be important—I would want to be careful to say too that Distance Education may have its application within the city of Winnipeg also, depending upon where some of the material may come from. It may allow for people to experience educational opportunities which they would not under other circumstances experience.

I can tell the member that I personally see a great deal of potential for Manitobans at a number of levels in the area of Distance Education, not just for students at the K to 12 level but for Manitobans interested in lifelong learning and continuing education. There may be some people who are interested in taking a course for its own intrinsic value as well as for its value in terms of application within their own life.

Mr. Plohman: I appreciate the minister raising all of these possibilities. I was looking at it from my position as the critic for K to 12. I know my colleague is also very interested in this whole area. Of course, when we get to it in the line she will be exploring some of those other areas further with the minister.

I just want to see if I can get an idea of what the future holds here in terms of Distance Education. This report will come in from the task force and the minister is going to be making a statement on that in the next little while. From there can we anticipate some action on this in a substantive nature for next year's Estimates, or is it further down the road in terms of any major developments in this area? Or is it just a rather gradual thing that takes place every year?

Mrs. Vodrey: We will be looking to release the report on Distance Education. That release will go to the field. We will be asking communities to look at it. Government will also look at the report, and, as we have discussed, government will have to look at the financial implications.

We will also have to look at the programming implications because when the member asked about Distance Education and staff changes I was explaining to him that we wanted to be able to integrate some of the curriculum development into our PDSS side, that in order to move ahead with Distance Education we have to make sure that there is curriculum available that can be taught by Distance Education.

One of the things that we have learned is that it really does not work all that well to simply lift a curriculum that is taught in the traditional classroom setting and simply put it into the Distance Education format.

Government will be looking at the implications, the program implications and the financial implications, of Distance Education. But I can tell you that I think it has the potential to be a very

important initiative within Manitoba, and so we will be examining it in that light where we look at it as it relates to each area of the department.

Mr. Plohman: Mr. Deputy Chairperson, the minister, I guess, is not just looking at this as an extra cost but an area where efficiencies can be achieved, where actually there can be cost savings. Is that correct, or is that not one of the potential merits of using technology?

Mrs. Vodrey: The issue may be some cost savings in some areas, but it is also, as we have been speaking about, an issue of accessibility. I just wanted to mention to the member when he asked about how Distance Education then would actually be developed and how we could see the effect, and the task force itself had recommended a gradual influence of Distance Education.

Mr. Plohman: I would like to thank the minister for that answer. As far as the initial reports, it would indicate then that we would not see any dramatic change in the use of new technology for Distance Education, but rather—if the task force is still going in the same direction as they have been on the previous interim reports, and if the government accepts that—would be moving in a gradual, increasing budget for this area. Can I ask if the minister's move this year is consistent with that?

* (2340)

Mrs. Vodrey: Mr. Deputy Chair, we are looking at a gradual increase in implementation. That was one of the issues that the task force felt was important, again, for the reasons that I have spoken to the member about. We have to make sure, as we move into Distance Education, that we also have curriculum available, and that that curriculum can be developed and that it will be functional and do what we hope it will do.

(Mr. Edward Helwer, Acting Deputy Chairperson, in the Chair)

Mr. Plohman: I just want to ask the minister about her views on professional development. Obviously this had to be a matter of discussion amongst herself and senior policy people. What is the view of the minister with regard to professional development in the public education system as it has been traditionally established?

Mrs. Vodrey: Well, professional development is important, and we have, through our funding model, maintained professional development within the Ed funding model. Some of that professional

development would mean a teacher coming from school, with the department assisting with substitute costs, and the training of that teacher in areas of curriculum, for instance, and that teacher's ability to go back then and assist colleagues. So we do value professional development, and we also recognize that many teachers do undertake professional development on their own time. Some do that in the summertime. Some do it in courses where they wish to increase their level, and some teachers also, as the member says, undertake some professional development in the evenings.

Within the model, we have maintained our commitment to professional development at \$4 million.

Mr. Plohman: I would ask the minister then whether she is subtracting from the \$4 million the savings that will be achieved through salary reductions as a result of Bill 22?

Mrs. Vodrey: The answer is no.

Mr. Plohman: Mr. Acting Deputy Chairperson, has the minister done any projections, since we have the projections of 3.84 percent for the department itself with regard to the shortened workweek, for the possible savings to the system of Bill 22?

I know you cannot project with certainty which divisions will be moving in this direction, but what are the projections, the estimates?

Mrs. Vodrey: A forecasted figure, if all divisions used the maximum number of days, the savings could be in the range of \$32 million.

Mr. Plohman: Mr. Acting Deputy Chairperson, that would be totally unrealistic though. That would mean 10 days every division going 10 days, reducing by 10 or eight?

Mrs. Vodrey: Eight days.

(Mr. Deputy Chairperson in the Chair)

Mr. Plohman: So we have a situation here where the department is providing a total \$4 million for professional development. What line in the budget would I find that?

Mrs. Vodrey: Line 16.5(d).

Mr. Plohman: Okay. So we have the situation where the department is providing \$4 million in 16.5(d), and then is forecasting a potential of \$32 million being saved. Actually there is tremendous offset there, eight times as much being eliminated potentially as a result of the actions of Bill 22.

Can the minister still say then that she will be giving any priority at all to professional development under that scenario? As a matter of fact, if we even looked at a more realistic scenario, even one-eighth of that actually taking place, that nullifies completely the minister's budget for professional development. Does that in the minister's mind reflect any priority for professional development?

Mrs. Vodrey: The projected \$32 million is in a salary savings, and the \$4 million is in professional development cost assistance. The two, I do not believe, are related as the member is attempting to draw a line of relation.

Mr. Plohman: Well, they are related in more ways than one. I mean, if you take away the professional development days insofar as teachers being paid for them, the vast majority of the professional development is not going to take place on those days. That is a realistic anticipation, I think.

The other thing is, if you have \$4 million for professional development and you do not provide any time for it, then, well, you are not going to be able to spend the \$4 million now.

So is the minister saying that the \$4 million is spent completely on days other than the eight or 10 professional development days that are set aside each year, or is part of it spent on those 10 days? If so, what portion of it?

Mrs. Vodrey: Mr. Deputy Chairperson, first of all, the member said that I was taking them away, professional development in-service days. Again, I would like to clarify that that was an option given to the employers who are the school divisions who will make the decisions about whether or not they wish to use that option in terms of their own plans for their division.

Then, in addition, the \$4 million is money which is given to school divisions, and school divisions will decide how they wish to use the money. They may wish to use the money to put on evening programs. They may wish to use the money to send staff away to look at a particular program. So it is not necessarily that that money is tied to and only used on those in-service days that a division may decide that it does not wish, at this point, to provide a salary for.

Mr. Plohman: Well, that is really moving up in the world, is it not, Mr. Deputy Chairperson. You are being so polite.

I wanted to mention to the minister that the fact is that the vast majority of the school divisions who use the options that may be provided to them by Bill 22, should it pass in the Legislature, would do so because there was really no choice because of their financial situation put on by the squeeze of the 2 percent cut by the province, by the minister, and the 2 percent cap by Bill 16. So it is not a matter of choice. The minister talks about choice. The choices that the minister talks about are really increasing class sizes, cutting teachers, which means increasing class sizes or cutting professional development days, and so I do not think that they are realistic in terms of the choices. The minister likes to use the term option, but I do not think it is a realistic option, and I take issue with that.

* (2350)

In any event, can the minister tell us how much of that \$4 million is actually spent? Is there any knowledge of it? Is it traced? How much of it is actually spent by school divisions for professional development on the 10 professional development days? How much of it is spent for programming other than those 10 days?

Mrs. Vodrey: Mr. Deputy Chairperson, the way that money is traced is through our frame reporting system, and it is traced through an object code so we would be able to tell.

Mr. Plohman: So can we expect that when we deal with this in more detail under 16.5(d), we would be able to get the figures on last year's usage and the previous year, for example, and perhaps the last two years, just to get an idea of what would normally be projected?

Mrs. Vodrey: Mr. Deputy Chairperson, I will just remind the member that last year was the first year of the funding formula, the new funding formula. So we will be able to give him the numbers last year under the new funding formula where we would be able to trace this amount of money.

Mr. Plohman: But there was an allocation for professional development prior.

Mrs. Vodrey: I am informed that in the past we would know by the funds that school divisions allocated for professional development, but last year, under the new funding formula, was the first year that there was money allocated by the province for professional development.

Because his question was, was that money used, we will be able to tell the member about the use of

that money in the last year or the first year of the funding formula.

Mr. Plohman: I have to wonder why the minister would identify professional development days for possible elimination insofar as teachers being paid for those days if she believes that professional development is important. I have to ask then: Does the minister, in terms of the changing educational needs, as we talked about changing technology and so on, does she not feel that it is critical to have this time set aside, or does she envisage a different kind of professional development?

If it is a priority and it is deemed to be a necessary activity by teachers, which I think it is, why does she put forward and defend a policy of the government that would see them eliminated?

Mrs. Vodrey: Mr. Deputy Chairperson, again, I do see professional development as an important aspect. Certainly, when I was working in the schools, I did make use of professional development, but I also did professional development on my own time, and I also did professional development at my own expense.

I am aware that many teachers in this province also do that where there are seminars, where there are workshops, and some of those do occur on days other than school days or on days identified as professional development days.

So I know that teachers do this, and we have already discussed in our discussion on this point this evening that many teachers also do this in the summertime. They do it on their own time, and they do it at their own expense. I do believe that professional development is important. I am also aware that there are a number of ways in which people may engage in professional development. I have experienced that myself.

Mr. Plohman: So what is the minister saying, that too much is being done for which educators are being paid and they should be doing more on their own time?

Mrs. Vodrey: Mr. Deputy Chair, what I was saying was many teachers do this at the present time, and I also did it in the time that I was in the schools.

I am also saying to the member that these are very unusual times in terms of our financial situation. We have had to look at ways to deal with our financial situation and ways that we believe will protect the integrity of the classroom and not affect a student

and class size specifically. We are looking at, then, other ways to deal with our financial crisis.

This was one option which has been offered to school divisions. It is an option because all school divisions have not all in the same way applied this particular option; they have taken different options.

We have looked at it in two ways: one to provide the option for the school division, and, on the other hand, also recognizing that many teachers, many people who are involved in education, take advantage of professional development at times other than those specific professional development days.

Mr. Plohman: Is the minister saying then, since they take advantage of professional development opportunities at other than during the 10 days that were provided by the department, through the regulation that was made each year, that that is sufficient, that there is not a need for these days during the school year?

Mrs. Vodrey: Again, Mr. Deputy Chair, the days will not be days that teachers will be in the classroom. They are days which would be available to teachers to take a professional development experience and days that teachers are not being obligated to take part in their regular work routine. So the days, the availability of the time is still there under this option.

Mr. Plohman: Did the minister change her mind between January 19, when she issued a press release establishing the school year and the number of professional development days, and February about the 19th? I do not have the date of her press release. In that one month, did you change your mind on the importance of professional development days?

* (0000)

Mrs. Vodrey: Mr. Deputy Chair, in that intervening time, we did receive some information regarding our financial situation. The Minister of Finance (Mr. Manness) was very clear in outlining the information he received from Ottawa regarding the funding that we expected from Ottawa. So government had to make some very difficult decisions and we had to come up with some decisions and some options that would help us deal with the financial situation, help school divisions and other public sector areas deal with the really drastic times that Manitoba is facing at this moment, because we want to make sure that we are able to move into the next stage.

Mr. Plohman: Does the minister wish to continue beyond 12? The agreement is that we would adjourn at twelve o'clock, and I am prepared to do so if that is the willingness of the committee.

Mr. Deputy Chairperson: Is it the will of the committee to rise? Committee rise. Twelve o'clock.

AGRICULTURE

* (2000)

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Agriculture. We are on item 2.(a) Manitoba Crop Insurance Corporation, page 14 of the Estimates manual. Would the minister's staff please take their places in the Chamber.

Shall item 2.(a) Administration pass?

Ms. Rosann Wowchuk (Swan River): Madam Chairperson, I would like to just continue on where we left off before we took the break for the vote. We were talking about the whole area of GRIP and where we are going on the issue and just the fact that there are concerns with the program that is in place. Although it did provide the cash flow that was needed, at this time there are still concerns. There is now another concern as to what is going to happen after 1995.

Just before we left, I was asking the minister what his opinion was on the whole idea of capping the program. Many times we hear that the government does not have enough money, cannot meet all the needs, but in this case, if we would cap the amount that would be paid to each particular farmer—the minister had said that the cost of production formula was too difficult to work out. I do not agree with him on that, but specifically, I want to ask him about capping. Would he consider, seeing that he and many other people say there are limited dollars and the whole area that we are concerned about is the family farm and retaining people in the rural area, if we could target that money more to sustain a level income for more people rather than having large amounts of money go into larger operations?—I think that might be a more effective way of using the money.

I would ask the minister if that was ever discussed when they were drawing up the first GRIP proposal, and whether or not he would think that would be something to consider as he sets his department to

look at future plans on how we will meet the needs of farmers.

Hon. Glen Findlay (Minister of Agriculture): Well, going back to this afternoon, the member had a broader question. She was referring to offloading and the lack of a level playing field in the program, and certainly there was offloading, and to think that the offloading will cease beyond '95 is probably a pipe dream, so we know that there will be some call on provincial treasuries in the future.

If there are calls on provincial treasuries, each Department of Agriculture in each province will want to be sure that what they offer is something that their producers want. We spoke loud and strong and continuously for individuality and predictability. They were issues that were of prime significance for Manitoba farmers. Any new program, we would want the same thing. I cannot imagine producers' ideas changing on those particular components.

The idea of capping, it was on the table way back when in the preliminary discussions leading into GRIP, but it did not stay on the table very long, because my understanding is that most people looked at it as something that would cause farms to split up into smaller units in order to access the kind of maximum dollars, by doing something to be sure that they were within the cap.

Another basic premise is that the support is for crop-on-an-acre basis, and the costs are basically the same for every acre of crop. It does not matter whether you grow 200 or you grow 1,200, generally the costs are the same. Yes, you could say capital costs are spread over more acres, but by and large, an acre is an acre is an acre.

So there was very little support for the principle of capping initially. Whether there would be support for capping in the future, it is hard to say. Personally, I would rather doubt it, but the floor is completely open in terms of ideas and ways in which we can, as government, assist producers in the game of survival in farming.

I think that everything is on the table for discussion in my mind. I have no hang-ups in any particular thing that should or should not be there. I would like to see greater federal participation, because there are 27 million of them and only one million of us. There is a lot more tax base to work on.

Everybody in Canada benefits from the cheap-food policy that we have had in place for a

long time, and farmers supply that cheap food by their toils and efforts. So capping may or may not be an issue that will be supported in the future, but I just tell the member that it was not supported in the last round of safety-net discussion.

Ms. Wowchuk: Well, I hope that it will go back to—when you go back, the minister goes back, or whoever he sends back to the table to discuss this matter, and who prepares for the next round of negotiations, that that is not written off right off the bat.

It is a way to support individual farmers to a greater degree. I believe it is a good way to go, and I would hope that the minister would see some merit or at least explore that to see whether that is a possibility, because, as he has often said, there are limited dollars. If we can target them a little bit more to the family farm, to units, to give people that base support for those families, they can continue in their operations and also provide a standard of living for their families, because this is what it is all about. If there is not a standard of living there, people are not going to stay. It is more difficult for them. So I hope that he will consider that or give that direction to whoever is working on the next step of what will replace GRIP.

Mr. Findlay: Maybe at this time I might like to ask the critic a question. If you are going to target support to farmers, how do you handle situations where one farm might live 100 percent on the farm and where the next farm has 50 percent of the income that comes from on the farm, 50 percent off, the next one is 75 percent off and 25 percent on? Do you treat them all the same? There are a lot of angles, a lot of ways to look at this. What is fair?

Ms. Wowchuk: I guess that is why I am asking if the minister will put people in place to start looking at this now and research all angles of it, so that we are not dealing with this two years down the road from now when it is time to change a program. We have to find a way, I believe, to support the family unit, and that is what the concern is. Yes, there is a lot of off-farm income right now, but perhaps if the family unit was getting a fair enough base income, there might not be so many of them working off the farm, and that might be addressed.

That is what I am getting at, but I believe that by more targeting it and with—there is a lot of money going—the majority of the money, as I understand it, is going to very large operations and the smaller

family units are getting a smaller percentage of the money. Those are the people that I am concerned about; it is keeping a base income for a larger number of families so that we can retain some base, some community in the rural area.

If we do not have a base income for those people, more and more of them are going to leave, and that is a concern I have. That is why I would encourage the minister to put people in place to research all angles of that as soon as possible and see whether that is a valid thing to consider. I believe it is. I would like to see some research done on it. I do not have the staff to do it.

* (2010)

Mr. Findlay: The member must not forget that 20 percent of the operations produce 80 percent of the product. You know, if you put the cap in place, the cap on acres—or I imagine it would be on acres that would qualify—and go back to the scenario I just gave you, with a person that is 100 percent living off the farm, the cap hits him first.

The person that lives on a farm within 10 miles of Winnipeg can have three quarters or one-half of their income on an off-farm job because they are nice and close to all the jobs in Winnipeg. The cap does not affect him. So the person who lives close to the city with acres under the cap gets a double bonus. He gets the off-farm job and he gets the full benefit of the stabilization program, while the person living in Swan River does not have that choice, but the cap is going to limit his ability to have the stabilization program work for him.

So there are a lot of angles to look at. To my mind, there are probably more negative angles on some of these things than there are positives, if you look at all the potential scenarios. If the scenario exists, somebody is going to work it real well. I just throw that out, so look at it both ways.

Ms. Wowchuk: The minister could have a valid point, but the other side is that there are people working off-farm now who are having income and are having their farm income supported through GRIP, so it is still there. It does not mean that, if we put a cap on it—and that is not being addressed, so there is not any reason why it would be different if we had a capping. We would still have people working off the farm. My only point is that, if we could sustain that family unit and raise their level of income, we may end up having fewer people working off-farm, and if we were able to cap it, we

might be able to give a larger portion to the—increase the amount that the smaller farmer is getting and maintain that family unit a little longer.

Mr. Findlay: I will just try to lay out the scenario: you can have somebody, a full-time farmer whose acres are over the cap, who could be getting half the stabilization per acre, whereas the person that is working off-farm, maybe even a hobby farm, maybe even a doctor or lawyer, gets the full stabilization per acre.

At least without caps, right now everybody gets the same break, depending on their own ability through their IPI. So you create an inequity by trying to prevent an inequity—that is all I am trying to say.

Ms. Wowchuk: I think we disagree on that one. I see a value to it, and I would appreciate if there would be research done on it because I really believe that that is one way that we might be able to increase the level of income for individual farms and to sustain more people on the land. That is really the goal, in my opinion. If we believe in the rural community, we want to be able to offer that support that we have liked for as many people as possible because if we do not, we really have no real rural community after we go to a certain point.

I want to go on to a couple of other areas under Crop Insurance and GRIP, and I want to ask the minister about lentils. Last year, there was a great discussion on lentils, and there was a change made that upset a lot of people. I want to ask the minister, what was the result of that? What was the decrease in the amount of lentils grown, and what was the saving that was achieved by changing that coverage of lentils?

Mr. Findlay: Madam Chairperson, the lentil question came to my attention last year in very early April as producers and people that were contracting lentils started to write letters saying that the number of acres that could be under contract could absolutely explode.

In this province, prior to '91, around 35,000, 40,000 acres per year of lentils, in '91 it got up to 128,000 acres, and about mid-April, 20th of April of '92, there were projections that there could be 400,000 to 500,000 acres of lentils, a threefold increase, which was totally unsustainable. It was going to just absolutely swamp the market and drive the price down and there may be no market for a lot of those lentils. With the support price of I believe it was around 21 cents a pound and a market price of

8 cents a pound, which was what the contracts got down to, you can see there is tremendous liability for government of 13 cents a pound.

So we relayed that information to the national GRIP signatories committee, who made a decision that in Manitoba, it would be reasonable and right to lower the IMAP from 70 percent to 58 percent, which effectively reduced the support price from 21-point-some cents per pound down to 17.8 cents a pound. What that ended up doing was that the contracted acres ended up at 176,000, which was a 37 percent increase over the year before.

The volume of lentils that were produced in that were handled by the market quite well such that this year the contract price is around 14 cents. So the market absorbed the increase last year, which was reasonable, whereas the expected increase was at least twice what we ended up with, and the 58 percent IMAP stays in place for lentils.

The problem was that in the first I think it was three years of the 15-year IMAP—it takes you way back into the late '70s—there were very high lentil prices. When that was averaged in, you got a high 15-year moving IMAP price. Had they just taken 12 years, it was a more reasonable period because then the volume of the acres of lentils started to become significant and the actual market price started to stabilize in a reasonable zone. When the 12 years were taken, you ended up with something more like the 58 percent or 17.5 cent support price.

So it worked well last year. Lentils were still grown, a 37 percent increase. The coverage levels for most producers would still be up in the \$180-an-acre range, about \$40 above what most people in the Red River Valley area at least could get for wheat. The production this year, it is hard to say what the final is, but I do not imagine it is an awful lot different than last year, because all special crops are up, right across the west. Every one that I saw or mentioned, in terms of the Stats Canada survey, all acres are up.

So there was nothing magical about 70 percent IMAP. It was all a function of whether the 15-year price scenario was realistic or it had quirks in it. Certainly, the lentils did have a quirk in it.

Ms. Wowchuk: That would appear to be one of the areas where farmers saw they could make money and were farming the program.

Are there other areas the minister sees that this can happen, or has all of that—he says that there is

an increase in specialty crops. I know that he will say he said there is an increase in specialty crops, because that is what the demand is for, but I do not have my list of prices here, the return that people can get for certain crops.

Are people moving to some of the specialty crops because the coverage is better for them? Are people farming the program in any way as they were under lentils?

Mr. Findlay: Well, I think what most farmers looked at last year, if they priced out wheat, they could see that with the support price minus their cost, they might, and I am just going to pick figures out of the air, let us say they could make \$20 an acre over their full cost, and they look at lentils and they say, well, the risks are higher, the costs are higher, but I could make \$60 an acre. So they figure, heck, I can make \$60 an acre, and people are going around saying, they did not even have to harvest them, all they had to do was put them in the ground. Well, they did not really understand how we were going to address abuse, but they did catch on a little later.

* (20:20)

What I see producers doing this year with regard to increases in the acres of oats and barley and flaxseed and canola and the special crops, they made those decisions. At least 90 percent of those decisions were made before they knew what the support prices were this year. They had to get the contracts. They had to make the commitments for seed and a chemical.

So I think farmers are looking at the market primarily figuring out what they can produce, what it is going to cost them, whether they will make a profit from the marketplace and can they market it in a timely fashion. I think those are the primary criteria they look at. Then they look at GRIP as a risk-protection mechanism, something to stabilize their gross income. It certainly is helping them dealing with their banker, too, to have the security that if something goes wrong, the safety net program will step in and support not only the farmer, but everybody he does business with in the town.

So whether there are other loopholes, clearly—and we looked at GRIP. There was that potential if you sat back and looked at it. Now if I can get coverage of \$140 an acre and my real costs are \$130 an acre, let us shave my cost. Let us take out fertilizer, just use less herbicides and maybe

instead of making \$10 an acre, I can make \$50 an acre. Well, yes, that looks attractive, does it not?

So a person will think, aha, this program is going to be around and I can farm it like heck for a couple of years and get my debts paid off. They sat and looked at it. Well, individual productivity indexing, how is that going to affect me? Suddenly, they realize that their coverage two years down the road is going to go in the toilet. So, in fact, hey, what is the right way to go? Do I farm to keep my coverage up or do I farm to farm the program? In balance they are caught. Which way do I go? You are caught. If you try to farm the program, you can get hurt later.

I think, in balance, the SMA was put there in the first two years to help stimulate farmers to farm the land and to operate normally. IPI works also in that direction. I think IPI, in its third year, can take over from SMA in giving that signal. When I see the statistics for intended acres to be seeded, if people are going to farm the program, they would be growing a lot more wheat instead of less wheat. I think all the signals are basically right. I am not saying 100 percent, but I think the checks and balances, the stepping up of the audits and the looking for abuse and getting the signal out and that to farmers is helping to realize that honesty is the best policy and the program will serve you well if you do the right thing as a farmer. I am very pleased with their response.

Ms. Wowchuk: Madam Chairperson, another area that I wanted to touch on was the problems that were in Risk Area 12 last year. The producers there were not happy with coverage and my understanding is they are still not happy with the level of coverage. In fact, I believe that there were some people in that area who were talking about suing the corporation because they were not happy with what was happening and the level of coverage that they were getting.

Can the minister tell us what has happened with that? Has that whole area been resolved? Has there been any adjustments made to the producers in that area? Is there a court case?

Mr. Findlay: The issue in Risk Area 12 is an issue between what is called 12s and 32 soils. Twelve is what you would call your normal soil, and 32 is a heavy clay that tends to be imperfectly drained. The distinction between 12 and 32 soils has been in place for about 20 years, I believe, or thereabouts, and producers in that area did not get, I guess,

overly excited about it, although they were not happy with it over all the years until revenue insurance came in. The difference was about six point some, 6.2 bushels or something like that, of wheat between 12 and 32 soils.

When the issue was brought to my attention, we formed a committee chaired by one of our department people. It had producers on the committee, department people and crop insurance people to analyze the question: Was there a difference? Was the approximately six-bushel difference that had been recorded by crop insurance the right difference? They commissioned a study by Daryl Kraft at the university and another study by somebody that worked for the federal Department of Agriculture, Dr. Onophrey. The Kraft model was used to establish coverage in 1992. It narrowed the gap from 6.2 bushels to three point something, 3.1 bushels, I think it was. This was getting on into April, and producers were offered the coverage at the narrower difference; between 12 and 32 is 3.1 bushels, on the Kraft model.

I advocated that the premium would be the same as it is on wheat right across the province at approximately 7 percent. The federal government wrote us and said that they were insistent that a higher level of premium be charged on the people that were to receive coverage on the higher level, on the 32 soils. This was late in the day, and that was their demand. They ordered us to charge about 7.9 percent or something like that on the 32 soils. So our counterposition was: well, producers did not have a choice—I wanted to have a choice; they could choose to take the old coverage which was a six-bushel spread at the province-wide premium, or they could take the higher coverage which narrowed the spread to 3.1 bushels and have to pay the higher premium on the 32 soils. I did not want farmers to be forced to take the higher option or forced to take the lower option. We offered them a choice. They had a choice to choose one or the other.

Subsequent to the growing season, then producers said, well, we were unfairly charged the higher premium. I would have to assume that is the basis on which they think they want to launch a lawsuit, but our position was: we put the study in place, established the narrower range; the federal government ordered us to put a higher premium on it; and that higher premium is no longer in place for '93. It is the same percentage premium right across

the province. But producers at least had an option ahead of time whether they wanted the higher coverage with the higher premium or pay the lower premium for the lower coverage. Whether they will or will not proceed, I do not know.

Ms. Wowchuk: Then does the minister have any indication from the numbers that are coming in whether people in that area are going to continue with GRIP, or are they dropping out of the program? What is happening with that?

Mr. Findlay: Certainly, in setting up the GRIP contract, one of the things that I was adamant on was that producers would have exit options, and there are two exit options in the contract. One is they can pay back the net benefits, and that would have to be done before April 30 in order to get out of the program for '93-94; or they could give three years' notice by the end of April. We are not aware that there was any—there are always a few, here, there, scattered all over the province. There is no large number. There is no significant difference in the Red River Valley area versus any other part of the province in terms of people either, using one or the other options of opt-out.

* (2030)

Ms. Wowchuk: Madam Chairperson, just on that opt-out then, the opt-out that people would have had to give this year was to opt out of the program in three years' time, at the end of it. One of the questions that was being asked was, is there going to be an opt-out next year? If they opted out this year, they are out of the program at the end of '95, in three years' time?

Then are there any guidelines put down if people who act next year change their mind and want to come back into the program? Can they come back in, because that is going to come up next year? I am sure that there will be some who have opted out who may want to come in. Is that open, or once you are out of the program, are you out of it until the end of '95?

Mr. Findlay: Producers can re-enter after two years, and then there is a re-entry penalty, 50 percent for one year, then 75 percent, and then 100 percent. So there is a bit of a penalty to make the choice to get out. Otherwise, if you did not have a waiting period to get out and a penalty to get back in, everybody would opt out and everybody back and forth, and what do you do? Do you hire 50 staff? Do you lay 50 staff off? What do you do? If

you are in, you have to make a commitment, but there is the option. There is the window there, but if once you make that choice, it is going to be a long time to get back in for a full 100 percent benefit.

Ms. Wowchuk: The minister talks about a 50 percent or 75 percent penalty. Does he mean then that if you are coming back in after two years you would pay 50 percent of what, the premium that you did not pay before? What would your penalty be?

Mr. Findlay: On the re-entry phase where the re-entry penalty is 50 and 75 percent, you pay 100 percent of the premium, and you get 50 percent of the benefit the first year, 75 percent of the benefit in the second year, and the third year back up to 100 percent.

Ms. Wowchuk: There is just one other area of opt-out that I want—the minister said two ways of opting out. One is to pay back your premium, and the other one is giving a three-year notice. How is the opt-out for retiring farmers handled?

Supposing someone is in the program, has been in since the beginning, but is this year retiring, what are the options for that individual to opt out, and is there any penalty for him or her?

Mr. Findlay: The farmer's premium that he pays any given year is on the acres that he farms; in GRIP year, all your acres are in. If a farmer, let us say, farmed 1,000 acres last year, he farms 500 this year and then he pays the premium on those 500; if he farms zero, he pays zero premium.

So effectively his contract is terminated if he legitimately retires. If he comes back in two years later, the contract is still there, and he is still obligated to the contract. So, if you retire, you walk away from the contract. If you try to come back in, the contract is still waiting for you.

Ms. Wowchuk: Madam Chairperson, I guess I do not really have many more questions on this area—oh, one more area. I do have one more question.

It was something that I had asked the wrong question on earlier. I was talking about the different forage programs. There are two programs that the minister mentioned, and one of them is, in fact, one of the programs that I wanted to ask about, and that is the forage plan for crop insurance.

If the minister could just explain that program—is that the program where farmers can insure their hay crop, and is that based on then a test area that is used as the average in certain townships? The

minister is shaking head, so if he might just tell me what the forage plan is. I am not familiar with that. What is covered under that program?

Mr. Findlay: Madam Chairperson, the forage plan for crop insurance is an individual program for alfalfa or alfalfa grass mixtures. A person's coverage is established on what he has done.

He may enter the program with a area average, but each year of experience and what his production is establish his level of coverage and, therefore, his premium on his own individual acreage that is in either alfalfa or alfalfa grass mixture. That is the one that I mentioned had 200 to 300 farmers enrolled in it.

Ms. Wowchuk: Then I am going to ask for another one on clarification: the alfalfa hay test program. I am sorry I have to ask these questions, but I am confused on what these programs are, so if you could just tell us about the alfalfa hay test program as well.

Mr. Findlay: The alfalfa hay test program is for those whom we may call the real professional alfalfa producers, the people that produce for dehyd plants or a dairy producer who has very precise records that the corporation can use over a course of time to establish his coverage.

In some sense, you might say the two programs are similar, but the second one here has got just—it is offered in limited areas and the discretion of the corporation as to whether they have enough records, enough expertise, to be covered under the alfalfa hay test program. The alfalfa hay test is more of an experimental program, a pilot project at this point in time.

The forage plan has been in place for quite a few years, since '76, so almost twenty years.

Madam Chairperson: Item 2.(a) Administration.

Ms. Wowchuk: I think I have asked most of the questions that I want to ask on this area, but I just want to make a few comments on crop insurance and on the Gross Revenue Insurance program.

Some of the concerns that have been raised with me are the fact that the crop insurance program is being weakened with the removal of the hail spot loss, and we have discussed that, and a concern that, by removing those coverages and if there is not a Gross Revenue Insurance program after this, crop insurance will not be the same program that it was

before. That is something I feel has to be addressed.

Another area that has been raised was that there were more options under crop insurance before GRIP than there is now. There were three areas of coverage and now you do not have that ability to take your choice of coverage. That, I believe, is a problem. When we look at all of GRIP, I guess the minister says, it has met the needs of farmers, and it is true. It has put cash into the farming community over the last two years.

* (2040)

Unfortunately, with the sliding average that we are using, the return is going to be less over the next couple of years, and if my understanding of it is right and what the farmers are saying is right, in reality, in the next couple of years, they will not get any revenue from it. They will end up paying a premium, but because the coverage is so low it will not be of any benefit to farmers. That is a concern.

We have said since this program has come in that this program is not meeting the needs of farmers. It should be more targeted and more predictable, and I hope that a better program will be devised to meet the needs of farmers.

In crop insurance—I am going back and forth because these are going to be probably my last comments here—I am concerned with some of the recommendations on the Crop Insurance Review that are not being implemented. One that I mentioned specifically was big game damage and the impact of that on the income of farmers. I hope that issue can be addressed as soon as possible or that the minister direct his staff to start looking at how we are going to address the needs of farmers after the 1995 date. Basically, that is my final comment on this section.

Mr. Findlay: The member comments on the sliding IMAP. Yes, IMAP is going down. It was not a surprise. It was part of the design. Originally, GRIP came in; it was a five-year period to bridge us from a GATT agreement to successful recovery of international grain prices. That has not happened, and it is not likely to happen in the five-year period. So now we are in a process of adjusting to some market realities with or without a GATT deal; in some sense we are going to have to live with what we have in terms of the grain prices we get internationally.

The member says the farmers will not be getting payments in the future; they will only be paying

premiums. I would ask the member that when those farmers say that, can they guarantee that there will not be a frost in '93 or '94 or '95?

I mean, '92 in the area she comes from, sizable, sizable payments went out because of an event that was never expected or predicted. That does not mean that it will never happen again. Maybe a disease will hit that will cause the same sort of loss of production where crop insurance and revenue insurance will step in and fill the gap. I do not think, no matter what the support price is, that the need for risk protection will be any less in '93, '94, and '95. Maybe the payout might be a little less, but the need for risk protection will not be any less.

If you can put \$120-\$140 an acre into each acre of that cereal or oilseed crop and end up with zip, because you do not get any production or the production is unmarketable or whatever, the risk protection program of GRIP is there to step in.

The member says, we should have it more targeted, more predictable. I will put this program in Manitoba against that in any other province on those two criteria, thank you very much.

Ms. Wowchuk: I am not going to rebut what you said. I just want to ask one more question.

When the announcement on GRIP came out this year, in your statement you said that the price of grain was going to be higher. In fact, the price of grain is lower than what was predicted. If the price of grain drops, is there going to be enough? Is it going to end up costing more for GRIP?

An Honourable Member: You mean the corporation?

Ms. Wowchuk: Yes, will it end up being a bigger payout, and is there enough money set aside? Is the money that is set aside now based on a higher wheat price going to be what is required to meet the GRIP payout, or is that not going to make a difference?

Mr. Findlay: For '92 at one point we were projecting a payout of, well, around \$250 million of payout for the '92 crop. Then as prices have strengthened and strengthened and strengthened, the actual payout we expect will be about \$175 million. That is basically a reflection of stronger prices.

So those stronger prices have been projected forward in '93, '94 and '95 by the National Grains Bureau who does that price projection. If they are

wrong—now in the past they projected lower prices than they do today. A year ago they had much lower predictions than they do today. If they are wrong it will affect the final end balance of the GRIP program.

Right now we expect it to be basically break even over the five years. That is the projection that exists with the premiums and the market prices as we know them and the acres that will be enrolled, but it is a projection. There is no guarantee we will hit it, but if—a year ago we were projecting a significant deficit at the end of five years, and I am pleased to say at this point in time we are projecting basically a break even.

It is on the strength of stronger prices that have materialized and if you get the shift of acres from wheat into canola, canola traditionally has been a nonpayout crop because market prices have been good and wheat has been a pretty good high payout crop for the producers. So that shift has not been accounted for and it is actually a positive shift in terms of reducing the liability on revenue insurance.

All those factors keep unfolding, but so far, all the surprises in the last couple of years have been more positive than negative in terms of the potential end-balance in revenue insurance.

Ms. Wowchuk: Madam Chairperson, the minister just said that he had thought by the time we got to 1995 that the program would be in a deficit. It was my understanding that the prediction always was that the program would be revenue-neutral by the end of the five years. That was the understanding I had. So if the minister could clarify that.

Also, where is the line on GRIP now of the amount that has been paid out versus what the premiums have been? Is it in a deficit situation or is there a surplus? I doubt very much if there is a surplus, but—

Mr. Flndlay: Yes, way back when the design was to be revenue-neutral. With that we are going back now two full years. As the first year unfolded, the payout was \$320 million in the province with a premium collection of about \$200 million.

Let me get back to where I was. I was saying that in the '90-91 crop \$320 million was paid out and the premiums collected were \$220 million, for round figures. It left the province with a deficit on its books of minus \$38 million. For the '92 crop, with premiums of \$202 million and expected payout in total, after the final payment, of \$175 million, the province's net position is plus \$10 million. So you

have minus \$38 million in the first year and plus \$10 million the second year, so the net position of the province is minus \$28 million going into '93.

* (2050)

Ms. Wowchuk: I was going to say that even with the poor crop in the fall of 1992 and the high payouts there was still a surplus of \$10 million.

Mr. Flndlay: Madam Chairperson, the reason is that, if you draw a line halfway between 16 and No. 1, and you get south of that line, there was almost zero payout—almost zero. With the corn and some of the special crops, yes, there was payout. Once you get north of that line, that is where the payout was. So, just in round figures, say, a third of the province received considerable payouts and two-thirds received little or none. So that is the reason, and some of the area that received no payout had a high premium paying area because they are a high-producing area. Again, it is a good example.

I go back to what I said earlier; it is a good example of a program targeted to where hurt was. In the old ad hoc program, the same payment would have been done across the province, and it just would not have been fair. So there were big payouts in certain areas, and in other areas all they did was pay premiums. The net effect was a positive balance for 1992. But way back to about eight months ago we were projecting a payout of \$250 million, and it may end up at \$175 million. So that is all a function of a stronger market price.

Ms. Wowchuk: Can the minister tell us then: Has there been a lot of frustration in the people that are paying the premiums, or is this accepted? What has been the general feeling? I know that there are some areas of—these people are not making big money either. I guess that is where I was getting at when I was asking about dropout. Have there been a lot of inquiries from the people in the southern part of the province who are paying premiums but not getting any return and still having the high cost of putting in a crop? Are there many inquiries coming from those areas about the value of the program, and is that where the frustration may be? I am not saying there is frustration. I am asking whether there has been a lot of inquiries about the high costs of the program to that area.

Mr. Flndlay: I am a little surprised the member would take the position of getting no return. When you buy risk protection, you buy risk protection. You

buy it in advance, not after the fact. You are not buying a lottery.

Well, maybe it is buying a lottery ticket. But I mean this is not a program that has automatic payback. The farmer who enters the program will, at the end of the program, zero his account out. If he has more in the account than he has paid in premiums, he will zero his account out. So the farmer cannot lose in this. The farmer cannot lose. He has risk protection all along the way. Just like buying a load of fuel, he has bought something to use in the process of running his farm, and to say he has no return is not right. He had risk protection. Whether he had to call on it is another question.

It is like buying fire insurance on your house or lightning insurance on your cattle. At the end of the year, if you did not call on it, you do not even ask about getting your premium back. I hope the member does not go around and advocate that this program is not working because there was not a payout. It is not welfare. This is called doing business.

Ms. Wowchuk: I think the minister missed the whole point of my last question. I asked him whether there were people in the southern part of the province, whether there was a higher rate of people dropping out. That is what I was asking about.

Mr. Findlay: Back to my answer about twenty minutes ago, there is no evidence of higher dropout in any part of the province, even, you might say, surprisingly. People may even want to get out of it, but they sit down and look at the risk they take if something happens, like the frost of '92 recurs or a disease outbreak, they are in big trouble, so they see the benefit of paying a premium. And this year the premiums went down rather substantively for some of the crops. Red spring wheat premium was down 9 percent, durum down 25 percent, utility wheat down 15 percent, flax down 27 percent, rye down 26 percent, so you could actually buy your coverage for considerably less premium cost.

Ms. Wowchuk: The premium went down but the coverage went down too. They both went down, right? I am not arguing the point, I am just saying that if the premium went down the coverage also went down.

Mr. Findlay: The IMAP price went down, but the person's individual coverage depends on what he did on his IPI. If he raised his IPI, his coverage may

be exactly the same. It is bushels times dollars per bushel, and in that case his premium still went down, and his risk protection is less in the future than it was in the past.

Ms. Wowchuk: Just a couple of other questions. On the big game damage and the waterfowl damage, the amount of assessed expenditure of our big game was \$200,000 and for waterfowl, \$150,000, and for both years it stayed the same. What I want to know is was that amount spent last year or were you under budget on that one. What was the kind of coverage you had to pay out under both big game and waterfowl damage?

Mr. Findlay: The figures I gave you this afternoon on both wildlife and waterfowl actually were significantly over budget. But I gave you the list of years for both, and they were substantively above the norm. It is a cost that we have to incur, so we were definitely over budget last year. We are not projecting the same events for '93, no, and if it did happen, we would be back in the same circumstance.

Madam Chairperson: Item 2. Manitoba Crop Insurance Corporation (a) Administration \$4,497,500—pass; (b) Premiums \$12,800,000—pass; (c) Gross Revenue Insurance Plan \$41,400,000—pass; (d) Big Game Damage Compensation \$200,000—pass; (e) Canada-Manitoba Waterfowl Damage Compensation Agreement \$150,000—pass.

Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$59,047,500 for Agriculture, Manitoba Crop Insurance Corporation, \$59,047,500, for the fiscal year ending the 31st day of March, 1994—pass.

Item 3. Manitoba Agricultural Credit Corporation.

Ms. Wowchuk: I guess there are several areas that I want to ask questions about. I want to ask the minister again if it is okay if we ask questions on the whole section and then pass all of it together.

An Honourable Member: Yes.

Ms. Wowchuk: Okay. The first area of concern, the announcement to reduce the rebate for young farmers, I would hope that we would be trying to encourage as many young farmers to operate in Manitoba as possible. I thought that we had a good program in place when there was a rebate put in to defer some of their interest payments. When I heard the announcement that this was being changed, I found it a disappointment.

I guess I want to ask the minister: What was the reason for changing this when we have other-interest rates are going down. Why would we want to have the young farmers pay more interest instead of assisting them at this time?

* (2100)

Mr. Flndlay: I would like to introduce you to the staff who have just come into the Chamber: Davetta Sheppard, Acting Director of Finance and Administration; Charlene Kibbins, Morris Regional Credit Manager; and Gill Shaw, General Manager.

The question, I think, if the member would read what she just asked, she answered it at the end. She said interest rates are going down, and that is exactly what has happened.

Let me give you a little history on what has taken place with the Young Farmer Rebate program. In order for a farmer to qualify for the full rebate, whether it is 4 percent or, in the future, 2 percent, they had to make their payment within seven days of the 1st of November. Back in '88, 78 percent of young farmers were eligible, for a total payout of \$1.5 million. In '89, 83 percent were eligible. In 1990, 89 percent were eligible. In 1991, 92 percent were eligible. In '92, 94 percent were eligible. The payout in the program for 1992 was \$3.2 million. It went from \$1.5 million in '88 to \$3.2 million in 1992. So the amount of dollars in terms of interest saving for farmers in Manitoba more than doubled in that five-year period. So there is substantive help for the farm community.

Over that course of time, the member well knows that interest rates were quite a bit higher. You go back to 1989-90 for the most common mortgage of 15 to 20 years, farmers were paying 11.2 percent interest rate, minus 4 percent, took you down to 7.2 percent. Right now, your interest rates are probably 9.5 percent—Is that fair?—for a 15-year mortgage, minus 2 percent is 7.5 percent. So they end up paying pretty much the same interest rate because interest rates have come down. If you are paying 9.5 percent, minus 4 percent, that is cutting it in half, and you take 4 percent off of 11.2 percent, you are taking one-third of it off.

So, yes, interest rates have come down, and we have doubled the expenditure on this line over the time that I have been minister, of which I am very proud, but on the other side of the coin, the interest rates have come down. So not only should the farmer get some benefit of that, the government also

has to sort of stop the spiraling cost in this category because if farmers could pay 7.5 percent last year, they could pay 7.5 percent this year. That is about the net effect over the course of the last three or four years, that minus-2 percent today takes you down to about the same percentage as minus-4 percent three or four years ago.

The rate at which farmers are paying their mortgage on time in order to get maximum eligibility has increased rather dramatically over the same time frame, so I think the program is working really well.

The member failed to mention that back in '89, we doubled the qualification amount. We moved it from \$50,000 per farmer up to \$100,000, so we have doubled the qualification. Yes, we have cut the interest rate in half at a point in time when interest rates have come down by a full 2 percent.

If you want to go back to '87 versus now in what they qualify for, the interest rate is half, but the qualification amount is double and, in balance, farmers are definitely using the program. They are using it, yes, and are participating in it, put it that way, and getting the benefit of paying less interest. We expect next year that the amount—because the 2 percent will only start on new loans, and there are an awful lot of people in the system that will still be at the 4 percent and the cost in this next year will still remain over \$3 million.

Ms. Wowchuk: Madam Chair, the minister said, farmers are still using the program, still borrowing money from the program, but my understanding from people that I have talked to is that it is not that easy to borrow money from the program right now. In fact, somebody said today that to qualify to borrow \$65,000, they just about had to have that much collateral to back them up, that it is very difficult to borrow money from the program.

Has something changed in the regulations, or is the corporation being more stringent on how they are lending out money? Because, as I say, the comments that I have been getting are that it in fact is quite difficult to get money from the corporation.

Mr. Flndlay: If the member is referring to lending activities of 10 years ago, yes, it is more difficult to get money because 10 years ago, loans were given out where there were tremendous write-offs encountered by the corporation.

This is not a program. This is a Manitoba Crop Insurance Corporation who lends money out and

people sign that they will pay it back with the appropriate interest rate. So it is not a program. It is a lending institution—pure and simple—it is a lending institution.

Every lending institution has changed its principles of lending from collateral based to cash-flow based. In other words, you take out a loan, can you cash flow the repayment in the time frame of the loan, whether it is a five-year or 10 or 15 or 20, can you repay it? Can you project through your business plan a cash-flow repayment schedule and make all your other expenses too, all your farm expenses, your living expenses, your taxes, make all those payments? You have to cash flow it.

Any institution you walk into today, you will face exactly the same scrutiny. I will tell you that maybe it was easier to get money 10 years ago, but many of those people could not repay their loans, and the taxpayers of Manitoba have given big write-offs as I am sure the financial institutions have given big write-offs.

Who did that help? Just think about it. Who did it help? The person who got the money retired to Victoria or Palm Beach with the money. The person who took out the mortgage, he is back on the land struggling and he cannot make it. He ends up quitclaiming the land or going through foreclosure or bankruptcy. Has that helped him or her? Not at all. It has not helped them at all.

So it was bad lending practices back then that caused the price of land to escalate because money was easy. Now the price of land has come down to a much more realistic figure. I still do not think it is low enough, but the lending practices now try to prevent somebody from getting into trouble, doing everybody a service to say, yes, we believe you can repay it. Your plan is good. We will lend you the money and they will go out and then they will do it. They will go out there and operate their operation and, provided their management stays on track, they will repay it.

Five or 10 or 15 years down the road they will have it paid off. They will be better producers and may be back in for another loan here or there and get on with life and build a successful enterprise. To take money out as they used to 10 years ago, particularly that 10 to 12 years ago period, and not be able to repay it did nobody any service at all.

* (2110)

Maybe those people have gone through Mediation Board and debt restructuring and off the land and, oh, what a mess. The whole principle of lending today is to avoid that. I think it is much more responsible. It is the same in every institution. I think that the write-offs that will happen down the road from loans given the last three or four years in the corporation will be substantially less than occurred on the loans given 10 or 12 years ago.

Ms. Wowchuk: Madam Chairperson, I guess my understanding of the corporation was that it was when a young farmer could not borrow money from the bank that the corporation would lend money. Although there had to be a sound financial plan in place, it would be easier for a farmer to get money from the corporation than it would be from a lending institute.

I am not saying free-for-all money, but that there has to be a good financial plan in place, but the understanding that I have right now is that it has become as difficult if not more difficult to get financing from the corporation than it is from a bank.

A particular issue, a client again that I look at said that he was renting the quarter of land and paying \$2,000 cash for the quarter for rent. So he was keeping that. Per quarter he was paying out \$6,000 just in rents. He was renting three quarters. His payment would have been \$6,600 but, yet, he could not get the financing.

He had proven he could make a living off these. He was able to pay the rent for some six years and, yet, when he came to the corporation to borrow the money, they did not view that as sound management. I do not see encouragement here. In fact, I see discouragement when people come to borrow money to buy land.

Mr. Flindlay: I would hope that the member for Swan River would ask a few more questions about the particular individual. That is not a business plan or a cash flow just because he paid the rent for six years. Six years ago the price of wheat was what, versus what it is today, or whatever they are producing.

You have to look at the whole picture. Did they pay their fertilizer, their fuel, their taxes? How did they pay for their living? The whole business plan of that farm operation has to be on the cash flow balance sheet before they can make a decision.

I would assure the member, in the process of analysis, that was what was done. If it did not work

out that they could cash flow the repayment, then that is the basis on which the decision was made.

Let us just pick a wild card out of the air. They went and bought a tractor two years ago on which they had high payments to make in the future that they did not have in the past, or maybe just bought the tractor six months ago, with \$10,000 a year payments or \$20,000 a year payments which they did not have before. That changes the whole cash flow substantively. It just blows it away, in fact.

The member should ask those questions before you get on that bandwagon of saying the program is not working, because the level of lending is not changing appreciably year in and year out. So the corporation is still lending substantive amounts of money, but they are going through a much more careful analysis of the cash flow.

In the case that you gave, whoever it is, I would suggest you inquire just to get the whole picture. I am not saying that what I have said is right. I am just saying that it is a potential, that is the sort of stuff that the corporation goes through in its analysis in making its decisions.

Ms. Wowchuk: Madam Chairperson, I want to assure the minister that we did talk about the whole picture. I was just giving a comparison of one line. Basically it was a sound operation. He was able to meet his commitments but yet was not able to get the financing that he needed. Again, I find that discouraging.

The minister says that money is being lent and continues to be lent. I want to ask then, how many applications for financing were made, and how many were approved?

Mr. Findlay: In the year?

Ms. Wowchuk: Yes, in the last year.

Mr. Findlay: Madam Chair, if we look at the direct loans program for the year ending March 31, '93, there were 434 direct loans approved, for a total lending of almost \$24 million, and there were 21 declines. Some of those appealed, and three of the appeals were granted.

Now in fairness, you know, in the process, if somebody comes in to an agent, some may decide at that point not to fill out the application and follow through, so those would be ones that would not enter on the statistic I just gave you in terms of decline. These are formal declines. It is an unknown as to how many might have, for whatever

reason, not bothered to go through the full application process.

Mr. Nell Gaudry (St. Boniface): Madam Chairperson, the minister mentioned write-offs in these loans, and he shows an Allowance for Doubtful Accounts of \$2.5 million. Is that the amount that was actual for the year 1993?

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Mr. Findlay: Mr. Acting Chairperson, what that Allowance for Doubtful Accounts is, it is a moving figure that shows up every year. It is the anticipated potential write-offs that will occur in the fiscal year we are going into, in the year ahead. So it is an allowance ahead of time as opposed to after the fact. You can be over; you can be under on it. It is all a matter of the speed with which you move on accounts as to whether it is fully used or underused.

Mr. Gaudry: Does the minister have a figure for the end of '92-93?

Mr. Findlay: In the past fiscal year, the actual write-offs that occurred are \$4.3 million, but I would have to say that the level of activity is anticipated to be less in the coming year. There has been a lot of cleanup of some long-standing accounts over the last two or three years, and I feel that we are getting closer to the end.

Mr. Gaudry: How many accounts is that in regard to the amount of \$4.5 million? How many farms that have gone under or declared bankruptcy are in that?

Mr. Findlay: We do not have the exact tabulation on the number of accounts here; we just have the dollar figure, but if the member wants, they can source the figure. For this figure, it does not mean that every one of those clients went bankrupt or was off the farm. It is a combination of farmers who have gone through quitclaiming, maybe foreclosure or bankruptcy. A lot of it is through the mediation process where accounts would get settled with an appropriate write-off. That is where a lot of the write-offs occur.

* (2120)

So it may mean that the producer is still operating. He may even have leased the land back in the process of the settlement, but the corporation has taken title to the land in the majority of cases.

Mr. Gaudry: Could the minister give just a brief of what the Manitoba Farm Mediation does with the people who are having difficulties?

Mr. Findlay: Mr. Acting Chairperson, I can speak for a long time or a short time, but I will give the member a kind of brief idea of how the Mediation Board process works.

The farmer can come into the mediation process in one of two ways. The first way is what is called a Part 3 process where he is under foreclosure or bankruptcy, and he comes in for the mediation process. Once he enters the mediation process, there is a period of delay of further action under which a panel will be struck to mediate his case between him and his lender. Or there is the Part 6 application, which is voluntary. The farmer comes in and wants to restructure his debt and get some professional advice from peers. They go through a process of mediation. I just do not recall off the top of my head the number of days involved, but I think it is about a 90-day period to come up with a resolution or it could end up in court.

In the vast majority of cases there are some voluntary resolutions, some agreement is arrived at in the mediation process between the producer and the financial institution. It may be MACC is the institution or it may be the Royal Bank or it may be a credit institution.

So in the restructuring process, if a farm is deemed to be viable and some guarantees can be put in place to guarantee payments in the future, lease payments or capital payments for that producer, the maximum amount of the guarantee is \$10,000 per year or \$50,000 over the lifetime of the five-year guarantee. The average amount of the guarantee is just over \$40,000 in each settlement, but the portion of the guarantee is actually called on over the lifetime of the agreement. It is down around 25 percent. About five years ago they were calling on 80 or 90 percent of the guarantee.

What that means is that producers are actually able to meet their commitments, whatever the guarantee was for, whatever kind of payment it was for, they were actually able to cash flow the payment out of their own money and do not have to call in the guarantee to the same extent today as they used to.

So in essence it is a process of trying to help the farmer work out his financial details so he can stay farming to the greatest possible extent. Now the natures of the resolutions are many and varied and, fair to say, every one is different than the last one, but the Mediation Board consists of a board of—what, eight people, I believe it is—eight people

that I have appointed who act as the board. There is a fairly long roster of panel members who can sit two of them, two panel members with a board member in each particular case.

I think it is fair to say that they become very capable working out resolutions that farmers could not be, would not be able to work out on their own. So I will not say it saved every producer, but it saved more than 50 percent, kept them farming in some reasonable fashion.

Mr. Gaudry: Mr. Acting Chairperson, I have a farmer that contacted me a couple of weeks ago, I guess. He had a guaranteed loan for \$80,000 in '86 and '87, and it was settled with the bank and the credit union, I guess, through MACC. Through his ag consultant and lawyer, he was advised to declare, file for bankruptcy, and he did. Now he wants to join the feeder association and he needed 10 percent. He could not join because MACC would not guarantee the loan. He was told it was because of the bankruptcy of '86 and '87, but he says the bankruptcy was cleared in 1989. Why would he be refused now?

Mr. Findlay: Well, I think this is one of the cruel realities of the world. The individual had a bad credit rating. He had a write-off with the corporation, and we have had one bad experience with the individual and the decision has been not to give a second chance at a bad experience. So those credit checks are done and everybody who applies through the feeder loan association process, and people with bad accounts are not accepted.

Mr. Gaudry: Would that not be where the Mediation Board could be involved with someone with those kind of difficulties, would MACC? Or it is not feasible for someone to approach the board?

Mr. Findlay: I do not know all the details of the particular case you are talking about, but the net result of the individual's activities back in '86 was that the corporation took a hit, lost money, entered his name on the write-off category, and that is, in the eyes of the corporation, a bad credit rating, and they would just as soon not do business with him again in the future under the feeder association.

Let us face it. The feeder association is a minimum of 15 members and any one member can bring the association down, so the association will also screen people. They do not want somebody who has had a bad credit rating in the past, and the corporation and the financial institution they may get

the loan from, also. There are three people doing the screening. Any one or maybe all three will have made the same decision.

In terms of putting the government guarantee in behind that feeder association, we have made the determination that a bad credit rating is a bad credit rating. Whether the Mediation Board could have played a role in the past, if he would have gone for voluntary debt restructuring, yes, it might have been able to play a role, but if he did not, then the decision and the activities had already taken place.

Mr. Cliff Evans (Interlake): Mr. Acting Chairperson, I wonder if the Minister of Agriculture would allow me to—or would he want to go under Minister's Salary for a question relating to wildlife compensation?

An Honourable Member: No.

Mr. Cliff Evans: The honourable member for St. Boniface (Mr. Gaudry) is kind of getting a little upset today.

The Acting Chairperson (Mr. Sveinson): Is there leave of the committee to revert to this section? [agreed]

* (2130)

Mr. Cliff Evans: I have been in contact with the minister's office last year and again this year with respect to the situation that farmers who produce Robust barley in the northern Interlake region, Riverton region have been receiving a fair amount of damage to their crops. The question out there is: Why is there no policy for the Robust barley producers?

I understand there are some technicalities as far as registration of that particular crop, what not. Where does the minister stand on that? What can we do to compensate these farmers who are losing an awful lot of money on this?

Mr. Findlay: The member for Interlake says there is no policy. I have to tell him there is a policy. The Crop Insurance Corporation covers all crops which are licensed. Robust barley is not licensed for production in the province of Manitoba. Secondly, the board, by board order each year, prior to the growing season, has a long list of varieties that although not registered will be covered for insurance maybe with certain provisos—not in the southwest corner or only in the southwest corner or not if it is hit by disease, those kinds of limitations on certain varieties that are not licensed. I would have to tell

the member, Robust barley, first, is not licensed, secondly, has never been approved for coverage under Crop Insurance, by board order.

Mr. Cliff Evans: Mr. Acting Chairperson, the facts, though, on it, if a farmer is producing Robust barley in one section, on one side where he is compensated under the Natural Resources act, across the way, he may not be compensable under Natural Resources. Why is there no protection for farmers within miles of each other as far as the Robust barley situation? One is getting it, and one is not.

Under Natural Resources, they get compensation for, I guess—what do you call it?—a drop-off or where the geese come in. It is a natural stopping point, so they will be compensated for it, but the next section over, the next quarter over, that is not a designated spot. They do not get any type of compensation for it. Why is that?

Mr. Findlay: Well, the member will have to ask the Minister of Natural Resources (Mr. Enns). This is the Department of Agriculture's Estimates we are dealing with. As I said, we can only operate under the Manitoba Crop Insurance Corporation where, first, the crop is not registered in the province and is not approved by board order, and that is always done before the crop season. So every farmer with every variety he grows, if he wants to have crop insurance, has to check to be sure it is on one of those two lists.

This year, a producer was sent a list of all the crops that are covered, and it is six or seven or eight pages long with all the lists of all the canola varieties, all the wheat varieties, all the barley varieties. If the one you are growing is not on the list, you know that ahead of time. So if Natural Resources is doing something somewhere out in the province in this area or not in that area, that is a Natural Resources issue. They will deal with it as they see fit.

We are operating under The Crop Insurance Act and these rules and regulations and guidelines have been in place for a long time as to what varieties are covered and which are not covered. To the best of my knowledge, unless I have missed something, Robust barley is not licensed and it is not approved by board order, therefore, it is not compensable. It is not a surprise to the producer, because it was done before the year started and it is done every year that way. It has been that way for years with

the corporation they have operated. You have to have it in one of those two categories.

Mr. Cliff Evans: Mr. Acting Chairperson, I am sure there are other crops that are not registered and licensed that are perhaps more profitable than others. Would the minister indicate to me, so it can go back to these people who keep producing, who are taking a chance to produce that crop, obviously, if it is not on the list, what in fact can be done to get this crop on the list?

Mr. Findlay: There is a long process to get a crop registered. There is an established process which has been in place in the province for a long time. It goes through co-op trials across the province. An expert committee approves every year, January or February—I think it is February—under the Seed Growers' Association or seed growers act, the registered or licensed varieties. Then, if it is not on the list and there is interest in the crop, make application to the Crop Insurance Corporation to have it on the list of board order approved varieties. Well, maybe I will find out what the factors are as to why they are saying no.

The corporation is going to take a look at it in the next year to determine why it is being grown in the Interlake area and see if there is agronomic factors there that make it a crop that can do well in that area where, obviously, it has not passed spec when it has gone through, if it has gone through the co-op trials in the past. We do not know the answer to that, but I would have to assume it has been investigated in the co-op trials because they investigate or screen every variety that ever comes forward or even that people want to import into the country.

So I have to assume it has gone through and has not passed for whatever the reason was—disease or comparative yield or length of season. I am also going to investigate with Natural Resources why they use Robust barley as a lure crop. If they are using it as a lure crop, obviously it is a lure crop. In an area that is subjected to potential waterfowl migration, it is not a crop to grow. It is kind of strange why so many people want to grow it. It must have some agronomic reason that they see as attractive.

The other thing to keep in mind is that in the Interlake area, over the course of quite a few years, the enrollment in crop insurance has not been that high. There has not been a lot of producers enrolled, and I would have to assume a lot of producers did not bother to pay attention to the

regulations and guidelines in crop insurance. That is fair ball. If people do not want to enroll in the program, they get on with life and do their own thing. They do not pay their premiums and take the risk.

Now we are finding one particular crop comes out of that area as being damaged by waterfowl and maybe it is because it is a lure crop. Maybe it is attractive to wildlife, more attractive than say other barleys. If that is the case, it is a high-risk crop to grow in that region. I am just surmising. The issue has come forward, and there is nothing we can do retroactively, because the decision time for the '92 crop was prior to the '92 crop or the decision time for the '93 crop was prior to the '93 crop. The best we can do is look forward to the corporation doing an appropriate investigation to determine if it should be approved by board order for the '94 crop, if it is a crop that a lot of producers want to grow up there and they want to insure.

There has been no change in process, regulation or anything relating to Robust barley. It just happens that they are growing it there and waterfowl have been consuming it, obviously, because they like it. It is one of those unfortunate circumstances, but the guidelines have been very clear and they have been followed to the letter.

Mr. Cliff Evans: Mr. Acting Chairperson, I thank the minister for that answer.

In talking to the farmers, the producers that do grow Robust barley there, they say economically it is a very good producer. I guess perhaps if the minister, the department, could find a way perhaps to do some further investigating into that, No. 1, why are they, besides the economic, and No. 2, if it is right in retrospect with being part of a lure crop. Of course, I am sure the minister is aware that we do get a fair amount of birds coming through. It would be interesting. It seems that the farmers, there are probably a half dozen out there, and I know that in conversation with them there would be more in that area that would grow it mainly because of the situation with the fowl and what not. Economically, from my understanding and the minister has to appreciate, I know that he and I would not do something if we knew that basically it was not making any money for them or was not a good crop.

* (2140)

Mr. Findlay: I will just make a comment of what this points out. I am a little bit off the track now, but what it points out is that co-operative tests that are done

on varieties have not been done in a wide enough area across the province. Say five or six years ago, tests were only done in two or three sites. We expanded the number of sites to 10, because different crops do better in some localities of the province than others. You get the south high heat unit versus the Interlake with cooler, more moisture, lower heat units versus the drier regions in the west, and back up to Swan River you get longer frost-free days. So different varieties perform differently in different locations.

So it is fair to say that I said in the co-op test, Robust barley maybe did not pass. But I almost guarantee you, the sites probably did not include the Interlake back in the years when that might have been done. So what it points out, that more broadly based testing needs to be done. It is hard to figure out how Robust ever got started in there. I think that somebody must have brought it in, did their own experimentation—yes, it is performing well—and from there the idea spread.

Now, if it is doing well there, yes, the corporation is going to investigate to determine why it has grown, is it doing well and should it be approved by board order for that region. It is not going to help the situation for the past or the immediate present, but it may well help the situation for the future.

Mr. Cliff Evans: I would like to at this time, just finishing off on this particular—I just want to say that I have spoken to the minister's office about it, and I am sure that he is aware that I have, and there is supposed to be a letter coming to me explaining some of the situation to me about Robust barleys, so that in fact I do have the constituents in my area who are waiting for some of these answers, from Hansard and that. I think what we will probably do is get together with them and perhaps ask the minister to meet with them and discuss the Robust barley situation in the Interlake area.

I know the minister's office has been absolutely—and I must say this—very, very, very good with me on situations, issues in the Interlake, staff has been tremendously co-operative and I appreciate that, and I want to say that on record. I would like that letter, I know it is forthcoming, I would like that letter. So he can appreciate it, I am getting calls and letters constantly about this, so I want to deal with it so that we can try and resolve it if we can. I will look forward to the letter that his staff has indicated will be coming to me, hopefully this week.

It has been over a month that we have discussed this.

Well, further, I would like to bring to the minister's attention, back to MACC, if we can go back and forth. I just have one situation—[interjection] Yes, I have to get over there. I have a situation with a constituent that I brought to the attention of your office. It is with regards to Mr. Nigel Sigurdson from Arborg.

Now, I took this file, I took my file, actually, and brought the file to your office, whatever I had, and I spoke with Mr. Sigurdson just again last week, he is in dire straits. He is in a situation, Mr. Minister, where it will be two years in July, Mr. Sigurdson not only farmed and dealt with MACC, he also worked part-time with the Wheat Control, and had the unfortunate accident of being sprayed within his cab. It will be two years in July.

Since then, he has been to numerous doctors. He has been everywhere—the compensation board, his insurance people. He is in a situation where at times, he cannot do anything. There are times where he can do something. He has already given up some land. He did not farm at all last year because his health just did not allow it. I know he is dealing with MACC, and I have a letter here dated April 21 with regard to his 1993 lease fee. Mr. Sigurdson has had a tough almost two years. With respect to inquiries, a hard-working farmer, not a big farm, a family, and trying to offset some of the income with working with weed control. He has not done that since his accident.

Again, a little over a month ago I brought the file to the minister's office, and I would certainly appreciate the minister's department—and there are other cases I am sure throughout the province. But I would appreciate attention, personal attention perhaps, by the minister's staff into looking into this and perhaps arranging as soon as possible a meeting with senior staff, Mr. Sigurdson and myself on this and see where we can assist this particular case. Perhaps the minister, his office or his department knows more than I do, but I would say that the situation right now for this gentleman is that (a) he has no income of any kind, and (b) he cannot do anything to produce an income whether it be on the farm or whether it be on his part-time job, and that part-time job is gone since he has been sprayed with the chemical. I would appreciate a response from the minister on this file, and appreciate getting together with his senior staff as soon as possible.

Mr. Findlay: Mr. Acting Chairperson, as the member has outlined, it is certainly a very difficult case. There are a lot of extenuating circumstances. I think a lot of what the member for the Interlake has indicated would indicate that the person needs assistance from social agencies, and he has used the resources of agriculture over the course of the last few years. He has sourced money from MACC both as a mortgage and he has been leasing land from MACC. He has been through the Mediation Board process where a guarantee was in place for him, and over the course of three years he drew almost \$23,000 in guarantee payments to support him.

Now, in the process of receiving that guarantee, he had signed a contract and the Mediation Board looked at the activities over the course of those three years and determined that he had violated the contract in some fashion, and the guarantee is no longer in place.

So he has been through the process. He has used the Mediation Board. A guarantee was in place, and it is unfortunate that the decisions have unfolded the way they have. The description that the member for Interlake (Mr. Clif Evans) has given would indicate that the person certainly needs assistance from the various social safety nets that exist. Considerable consideration has been received from Agriculture over the period of a few years, and it is extremely unfortunate that the person is in the situation that he is in.

* (2150)

Honestly, I do not know what more the Department of Agriculture, MACC, or the Mediation Board can do unless it was the Mediation Board to hear his case again, but that I cannot guarantee, nor am I in a position to say they should or should not.

Mr. Clif Evans: Is the minister saying that just within the last couple of years that the constituent—last couple of years can mean from two to 50 years. How many years has the constituent been in the situation that he is right now with the Department of Agriculture, with MACC? Has it gone over the last two, three, four years, or has it just been in the last couple of years since he has been in this physical situation?

Mr. Findlay: Mr. Acting Chairperson, with this particular account there have been ongoing default throughout the latter 1980s such that the individual ended up in front of the Mediation Board in 1989.

Then the agreement was structured in '89-90 so that the guarantees that were paid out on his behalf were paid in 1990, 1991 and 1992. The financial problems did not occur in the last couple of years as the member has talked about. They seem to have occurred throughout the '80s or particularly mid-'80s to late-'80s, ongoing account problems with MACC.

Mr. Clif Evans: I just have a little bit of a problem with understanding the whole situation, and speaking to Mr. Sigurdson countless times, he feels as if he has been misled at times.

My feeling is that I would ask the minister that because of the circumstances now that Mr. Sigurdson be allowed to present his case, whether it be to the Mediation Board or discuss the issue with senior staff people with myself and/or some other representative present, to hear his side of the story and to hear the Department of Agriculture's story.

Mr. Findlay: Mr. Acting Chairperson, I want the member to be very clear that department staff, corporation staff and Mediation Board personnel have met and talked with Mr. Sigurdson on many, many occasions.

(Madam Chairperson in the Chair)

So I think that an awful lot of staff time in total has been given to Mr. Sigurdson, but no resolution has come forward. Now, if Mr. Sigurdson has a new plan or a new process or something new he wants to bring forward, the Mediation Board is the appropriate entry point for him because he has a financial problem, a debt problem, a meeting-obligation problem. That is what the Mediation Board is set up to do. The Mediation Board has done a very good job over the course of time to work these problems out.

Also the member must realize there are certain circumstances that maybe are unresolvable. This might be one of them, but if the member thinks it would be constructive to meet again with the Mediation Board, we could ask that that be done. To say that senior staff should go over the top of the Mediation Board, that would be an inappropriate action, and it is not the way that I operate or that my office has ever operated.

There is due process in place, and there are appropriate entry points and professional people who can deal with these circumstances. To bring him to the minister's office or another group of people who are not professionally trained or have the experience, that would not be fair to him or to

the existing staff people that are doing those kinds of jobs, because this is not an easy process. There is not always a good-news-ending story.

Mr. Cliff Evans: Madam Chair, I do not think I indicated that the minister or his immediate staff should oversee one body of his department or not. I did not indicate that. What I did request was, whether it be through meeting with senior staff or dealing with MACC or dealing with the Mediation Board, a direction from the minister's office, a direction as to which way we can go and whom we should deal with, whom would be more appropriate to deal with, even if it is doing it again.

The minister indicates that the problem has been ongoing over the past so many years. The issue has been brought to my attention only in the past—actually just since Mr. Sigurdson came to me with the issue of being sprayed with the chemical. So one thing led to another.

What I am saying is, now, can I have a direction, too, to be able to deal with Mr. Sigurdson's situation so that I am better aware of it in dealing with it? What went on in the past, again, let us bring it all out then, but let us do it, perhaps, with me present or representatives so that we can get it done.

I say, whatever problems there were with Mr. Sigurdson in the past, right now, he is destitute. So we need some direction. We need to sit down with someone and discuss it.

Mr. Findlay: There are two ways to look at it. The member for the Interlake says he just entered this scenario more recently as opposed to the longer term of which this case has been ongoing. If he wants to have the staff's side of the story so he has the full story, I am more than willing to have him sit down with whoever from staff would be appropriate to give him some idea of the history and how it has unfolded to where it is so he has our side of the story.

If he wants the person to sit down with the Mediation Board again, that could probably be arranged. I cannot guarantee it because I do not order staff to do things. They have a process to follow and appropriate decisions to make, and I give them the credit to be able to make those decisions. I think personally it would be most constructive if the member was to sit down with somebody from my staff who knows the whole history and give the member for the Interlake an understanding of what has taken place so he can then judge what is the

appropriate thing, in consultation with my staff, for his constituent.

Mr. Cliff Evans: I want to thank the minister for those responses and I will be in touch with his office and Mr. Sigurdson probably tomorrow to see just where we can go with this. I appreciate that.

Madam Chairperson: The hour being 10 p.m., what is the will of the committee? My understanding is the committee is prepared to continue.

* (2200)

Ms. Wowchuk: Just getting back to the comments I was making earlier on the MACC lending practices, I guess I am disappointed that the minister talks about MACC being the same as a bank because I think farmers need strong agricultural financing programs. Sometimes those programs, the financing they need just cannot be met by banks. Sometimes the banks just do not recognize what the needs are for farmers.

The provincial Agricultural Credit Corporation should have a different mandate and should recognize that banks do not always meet the needs of young farmers. They have a high need for capital, a high need for financing, and this corporation should recognize that their role is more than the role of the bank. There is a need for a different kind of financing. Sometimes banks are not prepared to go to that extent, and I would hope that the corporation has not just turned into another bank, that they do recognize that there are special needs.

With that, I want to ask, the corporation has been in place for many years now, just as the Crop Insurance corporation was in place for many years. The minister saw the need to do a review of the Crop Insurance corporation.

Would the minister consider or has he given any thought to reviewing the mandate of the Agricultural Credit Corporation just to review and to see whether this corporation is also meeting the needs of farmers?

Mr. Findlay: Madam Chairperson, certainly there are benefits to the MACC program that are not available from the credit unions, caisses populaires, and other financial institutions, FCC. When I talked earlier about being a financial institution, we are a financial institution so far as money is loaned out on policies, cash flow, and then the money has to be repaid. On that basis we are exactly the same as a financial institution. I do not think the member could

ever ask us to be any different than that. How we are different is that we still are a lender of maybe last resort for some people, but certainly a lender of first resort for young farmers. Some of the criteria we use in the operation is there is no prepayment penalty for a loan. You can pay it off early without a penalty. I do not know where else you can get that.

The Young Farmer Rebate has been in place, and as I said earlier, last year the total benefit to the farm community was \$3.2 million. We have 30-year fixed interest rate mortgages, and you can get a mortgage for five years, 10 years, 15, 20 and 30 years. I do not know of any financial institution that will give you more than three or maximum five-year interest rate now, and we will give you the fixed for the entire lifetime of the mortgage. Our interest is compounded annually instead of semiannually, so it is less costly. We have a cap on the net worth for people we lend to of \$250,000. Many institutions want to start with people that have a net worth in excess of \$250,000. So we are working with the people of lower net worth, the younger farmer, and we have a number of characteristics to our policy that are not available anywhere else, the Young Farmer Rebate, 30-year fixed mortgage, no prepayment penalty, just to mention a few. So we are different than the financial institution in the way we operate the lending programs of MACC, but at the end of the day the principle is, money borrowed has to be repaid.

Ms. Wowchuk: I did not hear the minister. Has any consideration been given to review the mandate of the corporation? Has this ever been done since the corporation came into existence? As I said, just as Crop Insurance was reviewed to see whether it was meeting the needs of people, has any consideration been given to review the mandate, the operations and the activities that are carried on through MACC?

Mr. Flndlay: Well, in terms of a full-scale review similar to the crop insurance, no, it has not been done that I am aware of, and, no, it is not planned at this time. Certainly I receive input through different farm organizations who come and talk to me about the different aspects of MACC, certain programs. Certainly there was a fair bit of input that came to me and to the corporation when the expansion of Ayerst was going on about lending policies, PMU operations. So there is an ongoing so-called review of programs and efficiency of

operating the program, whether it is serving young farmers or not. When I see the increased usage of the Young Farmer program and the high percentage of people paying their loans on time, I think we are obviously responding to client need. The corporation is constantly reviewing what they are doing. They are constantly in contact with their clients on an ongoing basis. So I do not see this as exactly the same as Crop Insurance in terms of needing to do that kind of review.

You know, it is an ongoing thing, and I constantly get recommendations, say, from KAP, as an example, of how we should be operating the corporation. Back when we were talking about the Crop Insurance Review, a couple of key catchwords that came out at the end were to be more user friendly. I think it is fair to say that MACC, in their operation of their corporation, is trying to the best of their ability to be user friendly. Now, when you have to say no at certain points, it is not seen to be user friendly, but those are the decisions of the business world. People on the receiving end of the bad news have to respect that business is business. I would have to admit that I do not see a need to do that kind of review, because I do not think that it would lead to much different than what we have now.

Ms. Wowchuk: I guess that there would be those farmers out there who would say that it is not user friendly, and I agree that you cannot satisfy everyone.

I wanted to ask the minister: Just on the operations of MACC, has there been a decline in staff, or has the staff been consistent? Has there been a reduction in staff?

Mr. Flndlay: The MACC program staff complement is 49. It has not changed. Now the fish loan portion was transferred over to CEDF April '92, a year ago. At that point in time, six staff went with the fish program, but the people who are actually working for the MACC component, there were 49 before that happened, and there are 49 after.

Ms. Wowchuk: I would just like to ask a couple of specific questions on how land is sold or how leasing of land—I am thinking about a specific case. When somebody is leasing a piece of land and it comes up for sale, does that person, the person who is leasing the land, have the first option to buy, or does it go out on tender?

* (2210)

Mr. Findlay: Madam Chairperson, I have to assume the member for Swan River is really referring to land that somebody has quitclaimed to the corporation. That is the primary way in which land goes back to the corporation. The owner, either through a mediation process or voluntarily, quitclaims the land back to the corporation.

In the process of the settlement, the person may end up with a one-year lease. If that is the case, there will be no option to purchase in the lease, but the more general situation is that they get a three-year lease or a five-year lease. Normally in that lease, there is the option to purchase. In other words, the lessee can purchase the land at any time, one month after they take out the lease or at the end of the term, whatever it is, offer to purchase it at the appraised market value.

Whenever somebody wants to exercise that option, an appraisal will be done and then the price is set, and the person has the right to say yes or no on the option to purchase. If a person has a lease, if they have the option to purchase there, they have the right to purchase it during the lease. If the lease is five years and it expires and they do not exercise the option, the land goes back, so the corporation can either offer it for sale or offer it for lease again by public tender.

Ms. Wowchuk: Madam Chair, I want to deal with a specific piece of land that is causing a fair amount of frustration in the Minota area, if that would be okay. This particular piece is a half section of land that was rented. It came up for rent. It was not a leaseback. It came up for rent, and this one gentleman was renting it and had the first option to purchase it. He purchased it and then the next day resold it to someone else right after. He was a retiring farmer, but he purchased it, then very quickly turned it over to somebody else.

The other concern is the price of the land that it sold for. People in the community are very concerned that it should have sold for a much higher price. Other land in the area is selling for a higher price. I can give you a specific land description and the person's name if that will help. The land was purchased by a Joe Harrison. The land description is the west half of 29-14-26. He purchased it for \$16,000 and people in the area just cannot understand why it sold for such a low price when they feel that it should have sold for about \$30,000.00.

I want to ask how the land price was set in comparison to other land in the area, and whether it is legitimate or right to be selling land to somebody and then he can just turn it over quickly in a few days just for a profit.

Mr. Findlay: I am not too sure what the member is trying to get at here. Land sells at all kinds of values. You can walk across Manitoba and if you had the privilege to find out what all pieces of land sold at, you would find it varies from quarter to quarter, section to section, if sales occur one month apart or six months apart. People put values on that maybe are not seen in the eyes of somebody else.

I have to assume, in this particular case, that the normal procedures were followed. We will investigate to be sure that they were, but values are established according to the procedures of the Appraisal Institute of Canada. That is usually comparable values in the area, and sometimes it is surprising what those values are. Sometimes they are higher than you expect, sometimes they are lower. Maybe the party that bought it, that is a person-to-person business transaction.

We are not a social agency, we are selling land, and if it was offered by public tender, highest bidder gets it. Those are the procedures used. We will look at the specifics, but to say that we should have any say in what the person does with it after he buys it from us, no. We cannot do that.

Ms. Wowchuk: I do not know whether the minister understood. MACC land was sold. It was not a private sale, and I guess the—

Mr. Findlay: Once MACC sold it, it is in private hands. It is out of our hands. We have no more strings on it, no more say in what happens to it. We respect privacy of that transaction once we sell it, and if the person that buys it from us wants to sell it to somebody else, that is his choice; and if somebody that is a third party wants to buy it at a potentially inflated price, that is his decision. That is the freedom of democracy.

Ms. Wowchuk: The concern by the local people is that this half-section of land was sold by MACC for \$16,000, but there is another quarter of land very close by that is equivalent land, I am told but I have not seen the land, but it is being advertised for \$30,000, and that is the question I am asking, and I realize the minister does not have the answers here.

If we could have this looked into, and the reason I am asking this be looked into is because there are

doubts in the community as to why this particular half-section of land was sold for such a low price and then the other quarter of land which is the northeast quarter of 30-14-26 is being listed at \$30,000. Is there any reason why this one is not being written down?

There is a feeling that the one parcel of land was written down to an unusually low price and that is causing concern. I do not know the answers, and I am not saying that there was something improper that went on, but there is a lot of discussion and a lot of concern in the community about how this happened.

On the other side of it, I was just asking for clarification whether there was any control when somebody got a piece of land from MACC and the next day turned it over to somebody else. If this happens, is it just somebody speculating? Is there any control on that? I can see as I ask the question that it is pretty difficult to—

What I am seeing in this one is manipulation, somebody buying the land and then passing it over to somebody else instead of it going out to public tender, because the guy who was leasing the land, although he was retiring, he bought the land and then sold it off to somebody else, so he just prevented it from going to public tender is what happened here. That is a concern as well, but I can see where the minister says you do not have any control on that.

Anyway, if you would look into the situation and get that back to me at another point, I will take it back to those people that raised it with me.

Mr. Findlay: To get the legal descriptions right, the half was the west half of 29-14-26, and the quarter was the northeast of 30-14-26.

Ms. Wowchuk: That is right.

Mr. Findlay: We will investigate it. I mean, there may be a difference of no buildings on the half and some buildings on the quarter. Maybe the quality of land was considerably different. Those things can happen. It does not matter whether you are a half mile or two hundred miles, the quality of land could be quite different.

* (2220)

If you are in Miniota, the half may have been on the valley bank and the quarter up on the highland. So we will definitely check it out and see what the differences were, but I can assure you that the

corporation follows a consistent process of procedure. Whether it was an option to purchase, it is at the appraised price. If it was not an option to purchase, it was tendered. If it is tendered, there is still a reserve bid and otherwise you take the highest bid. That is the procedure the corporation uses.

Ms. Wowchuk: Madam Chairperson, I look forward to that answer so I can forward it on and I do not know the lay of the land, but it is the people of the area who know the lay of the land and are suspicious, if that may be the right word, or concerned. I think the best thing we could do is find the reason for it and get that information to them.

I wanted to continue on the Mediation Board and just ask the minister what is happening. Again, there are groups who feel that the Mediation Board is not fulfilling the needs of farmers. I want to ask the minister, first of all, how many people have appeared before the Mediation Board this year, and of those how many are staying on the farms?

Mr. Findlay: I am sure the member knows that the applications to the Mediation Board come under two categories: Part 3 which is under foreclosure, and Part 6 is voluntary.

Back in '88-89, the number of cases that came forward was 318; in '92-93, in the year just completed, 161; so basically half as many cases coming forward now as five years ago.

Ms. Wowchuk: Madam Chair, the minister indicates that there are a lot less people applying. Does he believe that it is because the financial situation has improved or have farmers given up and are not using the process?—because there are still people out there in trouble. I guess I ask him, is it that the Mediation Board is not doing its job and the farmers are just not using that process? Does he believe the situation has improved out there and there are fewer people that have need for that process?

Mr. Findlay: My belief is that the process has worked exceedingly well, and that there are less people in the kind of difficulty that they were in five years ago. There are less really difficult cases in existence over the course of time. With 318, 319, 195 or 161 cases, each of the last five years, there are quite a number of cases that have come forward over time.

To me it means as more and more of the more difficult cases get resolved—and the staff just reminded me that a financial institution that wants to

foreclose, they cannot foreclose without going through Part 3. In the Part 3 case, '89-90 there were a 181 cases; this past year, 90 cases. There are less people going through the action of attempting to foreclose.

I have had individual farmers come up to me, say, at Brandon Winter Fair and say, thank you very much for the help I got through the Mediation Board. People that I did not know and had never seen before came up and wanted to express extreme thanks for the professional nature in which they got treated.

They said: Without going through that process, I would not be farming today—was the common statement—because they helped me get my financial house in order. They showed me how to do things I had never heard of before, and I was just heading down the wrong path. They helped me restructure what I was doing and get a better handle financially—and probably not only restructured them but maybe put them in contact with a financial advisor or maybe a farm management specialist from the department to help them manage themselves on into the future.

I have had several people say that. So I have to say that people respect—although they got into a very difficult circumstance. They respected the help they got, and they knew that had they not gone for that help they would have been long gone from the land. Yes, maybe they are on the land with a smaller operation than they had at the beginning, but at least it is viable now and it has got a future. Whereas what they had before was not viable and had no future.

So I think the process has worked, and it is a tribute to the board members, the panel members and the staff to have made it work. I have had financial institutions say it is working well, too. It gives them a third party, an impartial group to mediate a situation whereas they could not mediate it by themselves.

Ms. Wowchuk: Madam Chair, the minister said, last year it was 318 cases?

Mr. Findlay: I said that back in '88-89 it was 318 cases, down to 161 in '92-93. What I gave you is the number of cases each year along the way, 318, then 308, then 219, then 195, then 161 this last year. So I gave you the last five years.

Ms. Wowchuk: Madam Chairperson, the minister does not have to go back over the five years but it

might be interesting for comparisons. Of the cases that were heard and dealt with, what percentage of those would still be on the farm? What percentage were able to reorganize their affairs in order to be able to stay on the farm?

Mr. Findlay: I have one particular year in front of me. In '91-92, in 76 percent of the cases, settlement was achieved and in 24 percent, settlement was not achieved. So three to one in favour of settlement.

Ms. Wowchuk: Can the minister clarify, when he says a settlement was achieved, does that mean that those people were able to re-establish themselves and continue on in farming, or did they take some kind of settlement and go on?

Mr. Findlay: Yes, that is what settlement means, that they stayed on the farm.

Ms. Wowchuk: In that case, the 24 percent who were not able to continue on farming, what kind of settlement is made with those people? What supports are put in place? I am not quite sure what happens to these people. Do they fall into the program, the federal rural transition program? What happens?

Mr. Findlay: Madam Chairperson, yes, some of the people that do not achieve a settlement do go through rural transition, but it is fair to say the majority get on with life and find another job or go do something else, but certainly some do use the rural transition process to get retrained or get a level of education that will facilitate their getting a job.

* (2230)

Ms. Wowchuk: This is a very difficult time to have to change your operation and to lose a whole way of life for many people. What I am looking for is, and I know it is not perhaps the Mediation Board's role to do this, but is there anywhere in the department or is there any communication with other departments to offer supports for these people? I am just thinking about how difficult it would be to be in that situation where you have lost your way of life.

I do not understand, if you have been through the mediation process, the minister talks about a settlement on one side, if it works out; on the other side, if it cannot be mediated, is there any kind of settlement for them? I am not quite sure what happens with the mediation process. Are they left high and dry? Is there any kind of assistance for them?

Mr. Findlay: In the process of arriving at a settlement in these circumstances, every case is undoubtedly different. There are people that get into a situation where they love farming. But as financial difficulties start to eat away at their desire to farm over a period of two, three, five, six years, they get to this point sometimes and say, heck, I have had enough of this. I have lost all my interest because it just is not working out.

They will voluntarily go through the process for awhile to see that there is no quick solution; there is no instant fix for them and say, enough of this, enough is enough, and get on with life. They make quitclaim or the foreclosure process may follow through, but some decision eventually occurs.

If you have lost your will and desire to farm, in most cases, you are better off to get on with something you can start to feel more comfortable with, rather than the pain and the agony of this financial burden you have got into in the farming situation.

I think I relayed to the member previously a case where somebody wrote me a letter profusely thanking me for actions of my staff in helping them, a young family, work out a seemingly hopeless situation. You could tell by the tone of the letter that they had gone from hopelessness to extreme hope. They had got sort of restructured onto a path that they had a lot of comfort with. They felt that now they could face the world. They knew how to handle circumstances where they were totally up against a wall before they got the professional assistance.

The staff of the department work in a wide variety of different ways in dealing with younger couples or older couples in these sorts of circumstances. There is no clunk, clunk, turn the handle and you get a magic fix out the end. Nothing like that happens. I think the process has evolved quite constructively over the last few years to the point that wherever there is a potential mediation, I am sure it is found in the process that either the farmer gives up and says, enough, and quitclaims or says, take it, I do not want any more part of it, or the financial institution says, we will work with you.

All those kinds of scenarios start to unfold over time, but it is a third party coming in, getting involved where there might have been confrontation, to try to get away from the confrontation, to try to strike an arrangement or an understanding or a deal that both sides can live with. It takes give and take on both

sides. Sometimes if one side will not give, it is probably impossible to mediate. There has to be give on all sides to get to a solution, a resolution.

I have known many people that went through this process. They just decided enough is enough, and they get on with life. Five years later, they are just zinging right along. They have forgotten all about farming and started to enjoy life again.

I know that is not a nice thing to say, but you know, if you get into a debt burden on the farm, it is not all that much fun anymore.

Ms. Wowchuk: I cannot believe that the minister would say that there is life after farming. For many people, they do not really believe that. That was not being serious.

Has the staff that deals with the Mediation Board remained the same, or has there been a reduction in staff?

Mr. Findlay: The maximum number of employees there was seven. There were six full-time staff plus one seconded staff for seven. The total number of staff now is four, somewhat reflecting the lower level of caseload.

Ms. Wowchuk: I want to continue on in another area. The member for St. Boniface talked about the guaranteed operating loan. I do not know whether we are talking about the same person—I do not think so—but a very similar situation, where someone had a guaranteed operating loan. His understanding was somewhere that this did not all have to be paid back. He thought that there was some forgiveness in this. He applied under feeder for the feeder association. He was one of the people who applied for the feeder association program and then found out that there was no forgiveness loan in this.

His comments were: You know, if I would have declared bankruptcy, which I could have, then the government would have had to absorb all this cost. I have survived, and I am now wanting to expand further, but this is a black mark against me because I have not paid off all of my guaranteed operating loan.

I want to ask the minister: Has there ever been a portion of these loans that was forgiven, or have they always been—

* (2240)

Mr. Findlay: Madam Chairperson, just so the member is aware of how a GOL operates, the financial institution does the lending, whether it is

the Royal Bank or Bank of Montreal. They do the lending. We guarantee 12.5 percent of that portfolio. Let us say they have a hundred GOLs in existence in 1993. We will guarantee 12.5 percent of that total portfolio. If there is a default under that 12.5 percent cap, they will bring that individual's name forward to the corporation in the process of the write-off. That is when that person's name enters the bad debt list.

Staff tell me that if that individual wants to clear his name, he can pay the amount of the write-off that the corporation encountered on his behalf, that there was never any forgiveness in the process of a GOL loan, never. Because you actually loan the money from a bank. Credit unions have not participated. [interjection] Yes, a few caisses populaires have participated, but credit unions have not. The primary operators of the GOL have been the banks, and they do the lending. Then if there is a default then the lender comes to the government for the guarantee, and then the name is recorded. As I said, that person, if his name was on that list, can have it removed if he repays the default.

Ms. Wowchuk: Can the minister indicate then, this program came in in 1983, have there been a lot of defaults? Are there a lot of people on the black list as far as this program goes or has it been a program that has served a good purpose for the farmers and farmers have repaid?

Mr. Findlay: While staff are looking up the numbers, if they can find them here, I will just say that for many farmers they could not obtain operating loan money if they did not enroll in the program. The banks have used it as a risk protection for them so that they can lend to people that otherwise they would not want to take the risk with. So it has served a very good purpose in terms of allowing people of high risk to access operating money which they otherwise could not access. The program is renewed every three years, and I think the next anniversary is at the end of 1994. We are in the second year of the current three-year agreement.

Ms. Wowchuk: I just want to tell the minister, it is not necessary to have specific numbers. You do not have to look it up. I was asking for generalities on the program, whether it was a program that government lost a lot of money on or it was one that served its need by providing the farmers the financing when they were in a high-risk situation and

they in turn paid it off. There is no need for specific numbers.

Mr. Findlay: Let me just say that, certainly, in recent years very few write-offs occur. In the earlier years, yes, there were some. One could ask the question, why, but I prefer not to comment on them. As the program became understood both by banks and by producers and managed by government, it has ended up that the risk has been adequately looked after from the standpoint of the banks to be able to lend, and the number of defaults have been very, very small because producers understand, they do not want to have a bad credit rating either with their bank or with the government, and it has worked quite well.

Ms. Wowchuk: Just going on then, the particular individual that I was talking about had indicated that because of his default of his guaranteed operating loan he was not able to participate in the feeder association loan program.

I want to ask the minister about the feeder association program, how successful it is and whether there are many applications. I look at the reports here and he says that there are only two associations formed so far as of March 1992. Since then has there been a general interest? Have many groups been declined? What kind of take-up rate is there?

Mr. Findlay: Madam Chairperson, there are currently eight feeder associations in operation in the province. I am sure the member is aware that there has to be at least 15 members in the association. Once they set the association up they certainly have the power of a co-operative, I guess we would say, in terms of accessing money at a lower interest rate than what any individual could by himself. They have group buying power and group selling power. I think in the course of the operating association everybody will gain somewhat from the experience of the other person and bring people together in terms of managing their operations and making the decisions of how they operate.

The majority of the members, at least two-thirds, have to be actively involved in farming and operating land. Up to one-third can be nonlandowners who are in the process of feeding cattle.

Ms. Wowchuk: Is this the section where I can ask questions on the Farm Lands Ownership branch, or does that fall under another section?

Mr. Findlay: I prefer to do it under Vote 6.

Ms. Wowchuk: One area under this MACC is the fish farming loans. As I looked through the report it was quite new to me. I was not aware of it. The report says that two loans have been approved as of '90-91. How aggressively or what work is being done or how much advertising is being done to encourage fish farming? In what parts of the province is this being done?

I am wondering whether anything is being done to encourage fish farming in the aboriginal communities. We have a very high unemployment rate in these areas. We have people who are skilled fishermen who need alternate employment. I want to know what the take-up is and what is being done to advertise this program. Is it being encouraged in any of the aboriginal communities in any way?

Mr. Findlay: Madam Chairperson, I think the member can see by the number of people who have sourced loans under this program, there is a very low level of interest. It is not an easy thing to do. It is a lot easier to lend money on land or a building or something you can see. You put fish into a body of water, they can disappear pretty quick, so it is a pretty high risk.

There is a certain process that successful fish farming must follow, and I do not know that we have it here in Manitoba. I have seen fish farming in the Pacific Ocean, and it is a pretty high-tech skilled operation and a high level of management. Maybe we can develop it in time here. She mentioned aboriginal farmers, I do not think either of the applicants are in that category. Neither of the two people who have loans are in that category at this time.

* (2250)

Ms. Wowchuk: Can the minister then tell me what got this loan going? Is it just basically for recreational purposes or does the department see the possibility of raising fish as a commercial product? Are the resources there to help people or is it just sort of we will lend you the money and you take your chances at it? Is there anywhere in the department that the advisory staff, that the support staff, would be there to help anybody setting up an operation like this?

Mr. Findlay: Madam Chairperson, there are two loans there, but it is to one individual, and this one individual has demonstrated a very high level of management. Basically, he has learned the business on his own and has convinced the

corporation that he is that kind of manager, worthy of taking a risk on in terms of continuing the loans. We do not have any extension staff in the department that I am aware of that specialize in fish farming. We are dealing with one farmer who has learned the management on his own.

Ms. Wowchuk: Is it a success?

Mr. Findlay: We determine success as meeting his payments, and he has done that. Beyond that, we cannot comment.

Ms. Wowchuk: In what part of the province is this fish operation located in? Is it somewhere close to the city where he would have access to markets, or where is the operation?

Mr. Findlay: It is rainbow trout. He is in the southeast part of the province. Apparently, he has looked at Arctic char, but it is rainbow trout, we understand, that he is raising in the southeast part.

Ms. Wowchuk: Madam Chairperson, just one other area that I wanted to talk about and that was on the beef stabilization loans. Are those loans still in existence? Are there loans being made under the beef stabilization program, or is that a program that is not in existence anymore?

Mr. Findlay: Over the course of my being minister, we have had the occasion to clean up a couple of bad programs that were in by the previous administration, if I might say so. The old BIAP, Beef Income Assurance Plan, goes back a couple of administrations ago, maybe even three, and then the beef commission was terminated on June 30 of 1989.

There has been a long process of trying to clean up a large number of outstanding accounts. A number of people arrived at settlements in the process of trying to meet their financial obligations of outstanding debt. Some of them restructured on the basis of paying so much a month over a course of time or so much a year over a course of time, and that is probably what is involved here. I think there are six particular loans that are in the process of an ongoing commitment to meet financial obligations.

Ms. Wowchuk: Well, the minister said he had to clean up some programs that he did not agree with under the previous administration, but I also want to say that perhaps there is a need for a beef program, for some kind of financial support. I know the minister is going to say the price of cattle is great right now. I do not disagree with that at all, but we have to look at what is happening to the beef

industry in Manitoba and how we are going to retain some of those—everything is being shipped out. We have no processing industry here. We are not finishing as many cattle here in the province as we should, and we are not having any of the secondary jobs. The minister may say that we had some bad programs, but he has to also admit that, since his administration has taken over, we have lost a fair amount in the beef industry as far as the value-added jobs that we could get from the beef industry, in the processing industry. That is something that has not been addressed.

I think, as the Minister of Agriculture, he has that responsibility to figure out how we can go farther and keep more of the cattle in the province to a further stage, finishing off the cattle, and also how we can get some processing and some of the value-added jobs. He talks many times about the value-added jobs that we can get in different products. I think that we should be looking at how we can have the value-added jobs in the beef industry. He may say it was bad programs that we had under previous administration, but he has not addressed that whole issue of how we can have the value-added jobs and retain the cattle in the province longer.

I want to ask the minister if he has any plans and what his proposal is to deal with that. How can we get the extra jobs in this province?

Mr. Findlay: Well, I maybe overstated when I said bad programs, just the cleanup was not very nice. When there are all these bad accounts left at the end, it does not end up with a good taste in your mouth I can assure you.

The Beef Commission was essentially replaced by enrolling in tripartite. The biggest shortcoming of the Beef Commission was it did not support producers who were in the feedlot business. How could you expect to have a beef industry if you were going to say you would not give any stabilization to the feedlot industry? You are only going to give stabilization on a cow-calf side, and only if you finish them do you get the finished stabilization. By moving to tripartite, there is stabilization for the cow-calf producer, for the backgrounder and for the finisher and that is stabilization.

It has paid out some pretty good money in certain quarters a couple of years ago. Now, of course, the market is so strong there has been no payout for at least a year in the slaughter end, and there has

never been any payout in the cow-calf side because calf prices have been so strong for so long.

It is always interesting when somebody gets into this discussion about we are losing in the beef industry. If you look at the cow numbers, we are continuing to grow and that is the profit end of the beef industry.

I am interested in farmers. First and foremost, farmers have to survive, and they have to have a good black bottom line in whatever sector they are involved in. Cow-calf business is very profitable. Yes, I would like to see them carry them through, background them or finish them to add more value in the province. It would be great if some private sector individual came in and invested in a slaughter operation in Manitoba. That is on the cattle side, but do not forget when you are analyzing the cattle side that on the hog side we are very, very successful in the processing side.

* (2300)

In hogs, we are now producing over 2 million slaughterhogs, basically all being slaughtered in the province of Manitoba, four slaughtering operations, high value-added in this hog industry. Do not forget that we are very successful on the hog side in terms of production, growth of production, finishing and slaughtering, all in the province of Manitoba.

On the cattle side, because of events over the course of the last 15 years, decisions were made to close plants. Now we can argue forever who is to blame. I do not think that is constructive, but the decision was made not to invest in that industry. I can tell you that is a cutthroat business. This large plant in High River, Alberta, I do not think it is very good to have government money in there. It probably helped attract them there, and it is attracting them for the wrong reason. The rich provinces get the chance to do that and we cannot compete with that.

In the future, there is always a possibility somebody will see Manitoba as a place to locate a slaughter facility. It is always possible. To think that government money should go into it, as long as I am minister, it will not happen because it just is not right. We just do not have that kind of money. The industry has to be located for the right economic reasons.

If we have the lowest feed grain costs in the country, I think this is the place to finish hogs and the place to finish cattle. I would think slaughter

facilities would locate close to where the animals are finished. Maybe that is another reason why Alberta was attractive to them, along with the government money. There is a lot of cattle being finished there, but again it was government money that stimulated the finishing business out there. Again, two wrongs do not make a right.

Other than tripartite stabilization, we do not have very much government money right now in the cattle business. Yet that is the most profitable sector of agriculture right now, the cattle business. Whether you are selling calves or whether you are selling finished animals, the prices are fantastic, to put it mildly.

Yes, I would like to see all the value-added jobs on the cattle side here. We do have them in the hogs. We have them in poultry, too. If you are looking at all livestock, the balance sheet is not all that bad. If you look only at cattle, you say, oh, we do not have the processing jobs, but all livestock—several poultry processors, we have four hog processors and all kinds of small slaughterhouses all across the province.

There is a lot of good news there, as well as a little bit of a hole that we would like to see filled. But to think that we will fill it with government money—not as long as I am here.

Ms. Wowchuk: Madam Chair, I have to agree with the minister. We cannot buy an industry to come into the province, but government has the responsibility to look at every way to attract the industry. Sometimes there is a need to offer some incentive, and it will work.

Certainly I do not think we can afford to offer what Alberta did, but we have to look at what we can do to encourage more of the finishing here in Manitoba. Those are the things that I would hope the minister would look at.

I am pleased that the price of cattle is where it is, because that is certainly an asset to many farmers in the province. That is what is keeping them going.

I just have one more question on this area and that is on board structure. When we began the Estimates, the minister had indicated that the percentage of women in the department was very high in comparison to the other departments. I am pleased about that. I indicated also that I hoped that would go into other departments as well. I wonder whether the minister has addressed that in the structure of his boards.

Is there any direction being given to get more gender balance on to various boards, whether it be the board of—we talked about the Crop Insurance Board, MACC Board, the Farm Lands Ownership Board? Is there any direction or encouragement given to get more gender balance in boards as there has been? Although the minister said it has not been under direction, it has just happened within the department where there is a balance now of male and female staff, but under that board that is a little different. That is by appointment. Has that issue been addressed?

Mr. Findlay: Well, that is a broad, sweeping question.

In the process of filling the board appointments, it has been very difficult to get women to serve. I am quite blunt about it. I think it is fair to say that I have one or more women on every board. I think I have two on one and maybe even three on another. But in the process of initially filling these appointments, the comment that came back to me far too often was: Well, I am very busy. I am a spouse; I am a mother; I am a partner in the farm, and I do volunteer work. I cannot take on any more. Ask my husband.

It was frustrating to get that comment of that general nature. Oh, gee, you should talk to my husband. I said, it is you I want; I think you have a role to play. Well, then she gives me how busy she is. I am sure it is very legitimate. Most people are very busy. But we have a number of women serving. I would dare say my boards—and I am just sort of trying to pick a figure here that represents in general where we are, but probably 25 to 30 percent of my boards are women. I could be off by 5 percent. But it has been very difficult, because women who are involved, are very involved. A lot feel that they are so committed in their family life and their work life that they cannot take on the responsibility.

Another answer I got, well, when my children grow up, I will be freer to do it. So it means that they may in the future but not right now. Again, well, my husband is able, that does not help me in my gender balance. I am very pleased with the quality of women we have serving, but I would like to see it more, I can assure you.

Ms. Wowchuk: I guess I can appreciate where the minister is coming from. I have run into that same situation many times. It is true, women are very, very busy with many responsibilities, but I hope that

the minister will not be discouraged by those comments and will continue to pursue and encourage women to participate at the board level even though they might tell you to go and ask their husbands.

Encourage them, because I firmly believe that women have just as much to offer as men do and bring a whole different perspective, and I would like to see a balance. There was an article in the paper earlier on about women representation, and that was exactly the comment, that women many times felt that they did not have the time or felt that their spouses might have more to offer than they did. I think that we have to continue to encourage them to participate, and I hope the minister will do that.

Mr. Findlay: Well, the member can rest assured that we continue to do that and will continue to do that. I wish I could claim more success than I had, but I just hope you understand the circumstances, as we all try to understand.

Madam Chairperson: 3. Manitoba Agricultural Credit Corporation, Administration \$2,905,400—pass; Net Interest Cost and Loan Guarantees \$4,250,000—pass; Allowance for Doubtful Accounts \$2,500,000—pass; Special Farm Assistance \$605,000—pass.

* (2310)

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,260,400 for Agriculture, Manitoba Agricultural Credit Corporation, \$10,260,400, for the fiscal year ending the 31st day of March 1994—pass.

Item 4.

Ms. Wowchuk: Can I just ask how long are we expected to go on with this, or is there a time that we are looking at? [interjection] Well, I would be happy to quit now.

Mr. Findlay: Just on the note of the last discussion, I hope that the member for Swan River now notices there are two ladies at the table to one man, going back to our first day.

Ms. Wowchuk: As the staff is leaving the table, I hope they will know what that was referring to. The minister was being chastised for not having any women advising him at the table, and it is nice to see more of you here.

Madam Chair, as we look at this section here, I have several questions that I would like to ask the minister with regard to Animal Industry in particular

and the Veterinary Services section on it. The Veterinary Services section was privatized two years ago, a year ago—and I want to ask the minister just the progress on that. There was a tremendous amount of concern on what was going to be happening, how the services would be provided, that there would be an increase in cost of services to the farming community. I would like the minister to just give us an update on what has happened in that and whether he feels that the services are adequate and the needs of farmers are being met.

Mr. Findlay: Madam Chairperson, the privatization of the drug lab, as far as we are concerned, has gone very, very smoothly. The vets set up a co-op. I happened to encounter a vet on Saturday. I had to call his services, and one thing he wanted to talk about was the drug lab, and he had nothing but high praise for the process that was used.

Although they had a few growing pains as they got the co-op together, as a veterinarian he feels that the services improved the range of drugs he can have available to him, the speed at which you can get them has all improved as they have learned to operate their own business.

So he had high praise for how it is operating. I am not aware of complaints from producers of any nature. Maybe the stronger cattle prices help the cattle industry to not worry about drug cost or whatever, but I have heard nothing but the positives that I heard from the vet the other day.

Ms. Wowchuk: One of the concerns was that when the change was being made that there would be an increase in drug costs. Some people were concerned that this was one of the things that might happen. Can the minister give any indication or has there been any tracking done of anything like this, whether or not there has been a substantial increase or whether prices have been retained at the same level as they were before or within reason?

Mr. Findlay: Madam Chair, I would like to introduce the staff that have entered.

Mr. John Taylor, director of Animal Industry; Mr. Joe Meek, field veterinarian.

The markup, which is the only figure I can give you—we had a markup, as government, of 6 percent. The co-op is now marking up drugs at 12 percent. Now we cannot comment on what they are buying at. They might be buying them in bulk at a lower cost to what government was. We think the industry

is quite competitive and they probably are buying them at pretty good prices. So the 12 percent might be a smaller figure than the 6 percent was. So whether the farmer is paying more or not in total is, I think, very difficult to compare.

I am not aware that there is any problem with services or availability of drugs, and that is really what—when a farmer is in difficulty, he needs something, he wants it. If it is there, that is his first line of interest.

Ms. Wowchuk: I want to talk briefly about the prevention of livestock disease. One of the concerns that has been raised in the last little while is the lack of inspection at auction marts. I am told that in Saskatchewan there are inspectors at the auction marts that are government inspectors that inspect livestock for disease, but here in Manitoba we do not have that system of livestock inspectors. There is a concern with disease and animals being transported back and forth without any inspection. Is this accurate? Have we ever had a livestock inspection program? When was that removed, if we did have it?

Mr. Flndlay: Madam Chairperson, to the best of our knowledge, Saskatchewan does not have disease inspection at the auction marts. They have a brand inspection process in Saskatchewan.

In Manitoba we have never had disease inspection at auction marts. We know that auction marts will hire a veterinarian to do preg checks. Maybe if there is a diseased animal, if the vet is there for that purpose he might identify it, but we have never been involved in disease inspection at the auction marts.

Ms. Wowchuk: Then I will go back to the person that talked to me about this because the information I have is that there is a concern about diseased animals, and that there is a system in Saskatchewan where animals are inspected for disease. They were not talking about branded animals, but I will go back to the person who raised this with me and perhaps get more information and come back to the minister with it.

* (2320)

Mr. Flndlay: The member must be aware that any abattoir where the animals are killed there is federal disease inspection at that point, but that is not the same thing.

Ms. Wowchuk: Just continuing on with livestock diseases, last year there was quite an outbreak of

tuberculosis. I should not say quite an outbreak, a few spots where there was TB in cattle and a great amount of concern in the delay it was taking to get settlement and the amount of compensation that these people were getting. I realize that the compensation comes under federal jurisdiction; that is a federal program. However, it is impacting on people here in Manitoba, so I want to ask the minister whether he is aware, whether those cases, all of that has been settled—and that is in the Rossburn area where there was a problem—and whether there has been any additional outbreaks of tuberculosis in the province or whether that was isolated to that particular area.

Mr. Flndlay: Madam Chairperson, the member has recognized that it is under federal jurisdiction and handled by federal veterinarians. In the process, yes, there was, it would seem to the average individual, an inordinate period of time to go through the testing process and determine positives and confirm positives, but I have written to the federal minister. I have raised it with him personally. The general response is the testing procedure is long and difficult and there is just no quicker process of determining positive reactors.

In the course of the investigation there were several herds identified in Rossburn municipality. We understand that approximately 800 animals were slaughtered and for which compensation was paid to the producers. There was in the end something like six positives—confirmed positives.

For all we know at this point in time, all the positive reactors were cleaned out and there are no more outbreaks that we are aware of at this time. I would have to tell the member I lived fairly close to there and we are not, sort of, on-the-road kind of conversation, there is no understanding that—I have heard nothing that there are any further problems. The veterinarians have said nothing. I have asked them and they say, oh, we just do not know of any more.

Ms. Wowchuk: Madam Chairperson, one of the concerns was at the time, the length of time it took for compensation, but also the level of compensation. Again, it is federal jurisdiction, but I want to know whether or not the minister or his staff have in any way lobbied the federal government or taken any steps to encourage the federal government to increase that level of compensation.

As the minister is aware, that was a very, very stressful time for some of those people in that area who had to have their whole herd disbursed, then had the costs of clean-up and all of that had to be out-of-pocket money for a long time. Then the level, they felt—as did many other people—the level of compensation was just not adequate to today's costs. Is there anything being done to address that vis-a-vis the provincial government to the federal government?

Mr. Findlay: We raised that issue in our correspondence with the federal government. My understanding in talking with one of the producers involved, although the compensation on the surface did not look very attractive, he was very pleased with the appraisal process, as to how he was handled in the end.

Many of those producers, there was a high level of uncertainty as the process was going on and it was dragging on and dragging on, and I do not think that the people at the other end fully understood the impact, as you mention, the disposing of the herd. It took many, many years to build it up and you are satisfied with it, then the clean-up procedures, and then in many cases, they lost a whole year, lost a whole cycle, the calf crop.

I do not know how they have made out, truthfully, in terms of replacing their herds with the money once they received it. It is fair to say that the price of cows has gone up. I hope that they did their buying a year ago as opposed to the last six months, but we have raised all the issues with the federal people.

One of the fears of doing that, of course, is they say, you can appreciate what they might say. If you want higher assessments, it is time for you to chip in. Again, they will use the offload angle on you. The member can rest assured we have raised the issues both by letter and in personal contact.

I suppose if the area has been totally cleaned up, it is very good news for the cattle industry in total in the province. It may be very unfortunate for the people who just by chance got caught up in what was happening there. Many of those herds that were cleaned out, they had little or no reactors in the herds, and if they did have a reactor it was because of fence-line contact, not because they bought an animal that was contaminated, or diseased I should say.

Ms. Wowchuk: One of the issues that arose at that time in that area was a concern that the contamination may have come from wildlife, and there was a concern that the location of some of the baiting for hunting, and the concern was that there was tuberculosis in the elk in the area.

Is the minister aware of any—this may be a Natural Resources question, but it relates to Agriculture as well—wild game that had TB in it that could have spread to the livestock? It is a big problem in Alberta, and I wonder whether there has been any incidence of that here in Manitoba.

Mr. Findlay: Madam Chairperson, it is difficult to comment on the wildlife allegations or suspicions. To the best of our knowledge, the positive reactor that caused all the trouble in the Rossmore area was purchased at a sale and the animal originated from the Portage area. That is the believed source of initial contamination. So to say whether wildlife are involved or not, I could not say. We do not have any evidence. Certainly, there was elk found to have TB in Alberta, but you cannot just say that therefore the elk in Manitoba have TB. That is not a fair analogy at all. I think that the most official source of contamination was this cow that came out of the Portage area.

* (2330)

Ms. Wowchuk: I appreciate that because Alberta is contaminated that we are not contaminated here. I want to know then, did the animal branch, did anybody do any work in the Rossmore area where there was a concern that the contamination could have come from the wildlife area, from animals in the wild? Again, that may come under Natural Resources where animals might be tested, but is the minister aware of any contaminated elk in Manitoba at all?

Mr. Findlay: We are not aware of any contamination in wildlife. If there is, we are not aware of it.

Ms. Wowchuk: I want to move on to the Soils and Crops section. Under the Soils and Crops section, I want to ask the minister, what work is being done in crops and in soils management. Is there any work being done to promote or research organic farming?

Mr. Findlay: Madam Chairperson, the Organic Producers Association of Manitoba, otherwise known as OPAM, has been in existence for several years, primarily located in the Virden area. That is

where it initially started. Kent Flour Mills in Virden do a lot of the flour milling, processing of the organic grains that are exported.

In terms of the department involvement, certainly staff have worked with the association, particularly the Ag rep in Virden, John Hollinger. John Dean and the head office staff worked with the association in a wide variety of areas and ways, worked with them in terms of putting out a production manual and in the process of attempting to get national certification in place for organic produced food products. In terms of specific research, we are not involved in specific research, but we are involved in working with the association on a number of areas, particularly the manual and the certification.

Ms. Wowchuk: When I talk about organic farming, there is a lot of concern by some people about the amounts of chemicals, the amounts of fertilizers that are being used by farmers and the impact this has on water supply.

There are those people who think that we should be using much less of these chemicals. Is there any research being done or documentation on the impacts of use of fertilizers and chemicals? Does the minister have any concern that there are areas of the province where our water supply is being contaminated by use of chemicals and fertilizers?

Mr. Findlay: The member is coming at a fairly strange angle. Farmers, in terms if they are going to survive, have to use the inputs of chemicals and fertilizers. Without the use of those inputs, they cannot all produce organic food products. There is not a market for everybody to do that.

In terms of evidence, I think the evidence is fairly straightforward. Canadian farmers, Manitoba farmers in particular, produce the highest quality food in the world. The population is living longer and the population is more healthy. So I think the present farming practice and how we produce food, how we handle it, how we process it, and how we put it on the retail shelf is second to none in the world. So I do not think that farmers are doing anything of any negative nature in terms of how they are using the inputs that they are using.

All chemicals and fertilizers go through a registration process. There are guidelines for the application and use of chemicals, crops in which they are to be used, crops in which they are not to be used, waiting periods from time of application to the harvest. All that is laid out. I have the highest

level of confidence that farmers abide by all those guidelines and regulations that are laid down in the registration process, particularly for pesticides.

There is a little bit of monitoring going on in water to determine if what the member says in terms of higher nitrate levels or chemical levels, whether they do exist. In general, the answer is there is nothing to be alarmed about. There are natural levels of nitrates in water in certain locations in the province. Mother Nature puts them there, so you cannot attribute the use of chemicals or the presence of a feedlot to some of the locations where there are nitrate levels.

My memory tells me that somewhere up in the Gladstone area there has been some traditionally high nitrate levels, but it has been there for years and years and is more related to a natural occurrence.

We are certainly involved in integrated pest management on the leafy spurge and nodding thistle, biological control, and working with the vegetable growers on integrated pest management. Certainly wherever, whenever possible, particularly for economic reasons, we are trying to use less and less chemicals, but to think that we will ever see a day when you do not use some, it is not going to happen.

* (2340)

You know, if you grow a crop of wheat and you remove the kernels from the field, you are taking nutrients away from the field, so you have to put them back into the field. I think the process of how we manage our crops and how we put those nutrients back is very responsible.

Ms. Wowchuk: The minister says that I am coming at this from a strange angle. Well, I do not mean to be coming at it from a strange angle, but I think that we have a responsibility. We as farmers are using the soil. We have to be sure that it is there for the next generation to use as well, and that we use sound practices.

The minister often talks about sustainable agriculture, and sustainable agriculture to me means leaving it there for the next generation. We have those people who are concerned with what farmers are doing with the amount of chemical that is being applied, with the amount of fertilizer that is being applied, and we have to be sure what we are doing is right. That is what I was looking for.

There will always be those people who are on the other side of the issue as well. We have to find a balance between the two.

As I look at sustainable development, I wonder where does the minister see that being thought in the agricultural facilities that we have now? Does he feel that we are providing enough education, enough information for sustainable agriculture? Are the courses that are being taught right now at the universities adequately addressing sustainable agriculture?

Mr. Findlay: Madam Chair, the question is whether universities are adequately training and educating people. I think there is a better understanding in all of society about the principles of sustainability. Farmers are understanding it.

The Soil Conservation Agreement that we have in place, the Farming for Tomorrow process, I think, has elevated people's understanding of sustainable handling of our land to a much higher level than it ever was before.

Certainly, The Green Plan that is in the process of replacing the soil accord is going to raise that level of awareness even higher.

It is fair to say that at the university there is pretty good understanding of the role of sustainable development. I cannot say that I know of any particular courses that are designed for that per se, but I am pretty confident that in various courses, elements of the principle are being taught.

I just happened to have the radio on early yesterday morning, and they were interviewing Dr. Clay Gilson who is on the International Institute for Sustainable Development here in Winnipeg, and he was commenting that the successful farms of the future are those who adapt in an ongoing way over the next few years to understanding the principles of sustainable agriculture. Those regions of the world or those farmers that ignore that will in the long term be the losers, because either the industry will voluntarily understand that the public at large wants more sustainable activities in agriculture, or if farmers do not respond they will be legislated, which would be very costly for the farming community.

If you think of such regions as Holland, for instance, with high livestock population, totally unsustainable because there is not enough land base to dispose of the fertilizer. It is just not going to be sustainable for much longer. The public is not going to put up with it. Take the regions of the

United States that fall in the same category, trying to get high intensive production on a land base that cannot support it. We are not in that category here. I am pretty confident in saying that we will never get into that, because I think we have a better grasp on a cleaner environment, a more responsible attitude in terms of dealing with the environment that we make a living out of.

I see a tremendous change in attitude of farmers over the last four or five years as the Farming for Tomorrow process has been working at the grassroots level. I have been to two or three different evening banquets across the province where this is, you know, the highlight of the year for the Farming for Tomorrow committee. They get good turnouts and good attitude and some very positive things going on in the different regions and communities of the province. It is catching on, and it is catching on at the right level, at the grassroots level. To hear Clay Gilson say that about the farmers of the future, the more people say that the more people will understand it is not just a fad that is passing. It is a real fact of life in terms of using the environment for food production.

Ms. Wowchuk: Madam Chair, the minister talks about one university professor who talked about sustainable agriculture, but there are other people who are critical of some farming practices. One of them in particular is the use of anhydrous ammonia and the negative impacts of that. There is a university professor from Brandon who has spoken out against that practice, and I wonder what follow-up—I have here a letter where the minister has expressed concern about this professor speaking out against the practice, criticizing it.

The minister was not happy with the statements made by Dr. Paton and felt that his comments were unsubstantiated, but I think we are always going to have those people who have a different view. I do not think that we can restrict, and I want to ask the minister, was he trying to restrict the comments of people who are on staff within the universities speaking out and expressing their views on particular agricultural practices, if they may not been in line with the minister's thinking?

Mr. Findlay: Evidence, please, scientific evidence, please, that is all we are asking. The Manitoba Institute of Agrologists asked the same thing. Sir, if you have got evidence, if you are a practising agrologist or whoever you are, if you have got

evidence, just supply the evidence. That is all that we want.

Statements of that nature could harm the industry, and it is difficult to defend yourself. Please, supply some evidence that is scientifically based and reviewed by the scientific community, particularly the practising agrologists of this province. Let them scrutinize the scientific information. That is all we ask.

Ms. Wowchuk: Then I guess I want to ask the minister, when these comments were made, is the minister saying that there was nothing to substantiate those particular comments that the effect of ammonia on field conditions and the other comments that he made—is the minister saying, agrologists also said that there was nothing to substantiate these facts made by this?

Mr. Findlay: I do not have the exact letter in front of me, but the Manitoba Institute of Agrologists wrote a similar comment in the subsequent letter that they put in the paper, saying: Where is the evidence? We need evidence to substantiate the claim.

* (2350)

It is the same thing as happened at Christmastime about four years ago, when there was salmonella found in the eggs in England. It was put in the paper as if there was salmonella in the eggs here in Winnipeg. Well, you know what that did to egg sales?—pfft—no evidence.

Just because salmonella might happen in eggs in Britain does not mean that it happens here. So

people have got to be very careful of what they say, because it could have an incredibly damaging impact on sectors of my industry. If there is evidence, give us the evidence. Anhydrous ammonia has been used for a long time, and a lot of research done in the scientific community. It is a gas, yes, under pressure, but once the pressure is relieved, it is a liquid.

I just say, evidence, please, and scientifically scrutinized by people who are practising agrologists so that everybody has a chance to clear the air on what are the facts.

Ms. Wowchuk: Madam Chair, we do have to have evidence on all of these, but the department also has to have and must have information available on various products that are used. I was just asking that particular question because I was asking whether the minister objected to people speaking out. It is just a matter of being able to—[interjection].

Madam Chairperson, I am wondering whether we might be able to call it twelve o'clock.

Madam Chairperson: Is it the will of the committee to call it twelve o'clock? [agreed]

The hour being 12 a.m., committee rise. Call in the Speaker.

IN SESSION

Madam Deputy Speaker (Louise Dacquay): Order, please. The hour being after 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 10, 1993

CONTENTS

ORDERS OF THE DAY

Committee of Supply

Education and Training	2730
Agriculture	2766